See p 80-81

7TH ANNUAL REPORT

Social Security Board

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7th Annual Report of Social Security Board

Table 5, page 72

Entries for fiscal year 1941-42:

Total: $445,895 should be $445,646.

Employment security under Social Security Act, total: $69,645 should be $69,395.

Employment services administered by Social Security Board, Jan-June 1942: $17,648 should be $17,399.

Entries for District of Columbia:

Total: $1,447 should be $1,198.

Employment security under Social Security Act, total: $562 should be $313.

Employment services administered by Social Security Board, Jan-June 1942: $249 should be footnote 10.

Entry for Arkansas:

Last column: $22S should be $22.

7TH ANNUAL REPORT

FISCAL YEAR 1941–42

Social Security Board

1942

FEDERAL SECURITY AGENCY

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FEDERAL SECURITY AGENCY

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LETTER OF TRANSMITTAL

SOCIAL SECURITY BOARD,
Washington, D. C., December 15, 1942.

THE HONORABLE PAUL V. McNUTT,
Administrator, Federal Security Agency.

DEAR MR. McNUTT:

I have the honor to transmit the Annual Report of the Social Security Board for the fiscal year ended June 30, 1942, for submission to the Congress as required by section 704 of the Social Security Act.

Respectfully submitted.

ARTHUR J. ALTMEYER,
Chairman.

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Social Security in the First War Year

For social security as for all other basic aspects of our national life, war was the dominant force in the year ended June 30, 1942. The upswing in employment and earnings which began in the autumn of 1940, under the impetus of the defense program, gathered momentum throughout 1941 and influenced every branch of social security administration and planning. In December, the attack at Pearl Harbor made necessary immediate action to gear the economy of the United States to outright war. The social security program, which was formulated in the depression years, had been designed as a first step toward preventing or offsetting ordinary risks of the American people. The defense program, then the war, brought new questions. What was the place of the social security program in the Nation's war effort? When the scarcity was not of jobs but of men to fill them, what were the current needs for social insurance and assistance? What steps should be taken to forestall insecurity in the years immediately following the war? In the longer run, will the impact of the war affect the program in ways which can now be foreseen?

Services in the War Effort

The contribution of the social security program in this first year of war has been in two general areas: on the one hand, the resources in organization, personnel, technical skills, and working relationships which could be turned toward meeting general or emergency problems in the Nation's mobilization; and on the other hand, the ballast to the national economy inherent in the regular operation of the program. Under the former are, preeminently, the activities of the United States Employment Service in marshaling labor for defense production; the use of Federal and State social security agencies in defense health and welfare services and in evacuation of civilians; and the operation of emergency programs of civilian war assistance and benefits. The regular programs have served the emergency through the continuing provision of income to workers thrown out of jobs temporarily in the transition to a war economy and through payments to others, particularly the aged and children, who could not share directly in the Nation's increasing activity. The following paragraphs summarize developments in these emergency areas and indicate the general bearing of the war upon the social security program; operations of the permanent programs are discussed in greater detail in part II of this report.

Mobilizing Labor

In July 1941, regional employment security representatives of the Social Security Board were designated as chairmen of regional labor supply committees to deal collectively with problems of labor recruitment, training, and placement, and to ensure that all facilities of government, labor, and management are utilized in solving problems of labor stringency. These committees include representatives from management, labor, United States Civil Service Commission, Office of Education, National Youth Administration, and Federal agencies concerned with apprenticeship and training within industry. They are responsible for determining the content, location, and timing of preemployment and refresher training courses; for reporting on anticipated displacement of workers in plants whose operations are curtailed or suspended by restricted allocation of raw materials or other Government orders; for obtaining information on anticipated demands for workers in areas of expanding production; for promoting employer compliance with Federal efforts to prevent labor pirating, hoarding of skilled workers, and indiscriminate advertising of vacancies; and for furthering maximum utilization of available resources of manpower on the production front. Reports of these committees have been distributed by the Social Security Board to provide information on policies and procedures which have been successful in solving local, State, and regional problems in manpower allocation. These reports, supplemented by special surveys, have provided a basis for the formulation of principles and practices for Nation-wide application. The United States Employment Service continued to serve, as it has served since the initiation of the country's defense program, as the officially designated Government agency for the recruitment and placement of workers required by the war production program.

Labor-market surveys.—Beginning with October 1941, the United States Employment Service made special surveys of labor-market conditions covering major areas of production. These surveys have provided guides for Federal agencies concerned with allocating war contracts, determining priority ratings and the feasibility of converting specific plants to war production, locating plant sites and housing projects, and developing transportation and other community facilities. In May 1942, an industry approach was instituted as a complement to the geographic approach to provide adequate digests of current and anticipated developments in vital industries and their subdivisions. This step geared labor-market analysis more closely to the organizational approach of the War Production Board and other war agencies with industrial responsibilities. Special weekly reports on the agricultural labor market have made it possible to lessen stringencies in some areas by establishing mobile labor camps and by

organizing community facilities for work on farms in peak seasons of planting, cultivating, and harvesting.

These surveys disclosed that conversion and re-tooling had been virtually completed by the end of the fiscal year and that production of war materials in the half year January–June 1942 exceeded by 50 percent the entire output of 1941. War industries have been able to absorb large numbers of relatively unskilled workers through use of job dilution and special training. Maldistribution and malutilization of existing labor reserves, rather than actual shortage, were the major problems at the end of the fiscal year. In 44 of 160 important industrial labor-market areas, labor supply was more than adequate to meet present and anticipated needs; in only 35 were there current shortages of male labor, though shortages of such labor were anticipated in 81. These 160 areas included all cities with a population of 100,000 or more and all other areas with known demand for at least 5,000 war workers.

Maximum production depends not only upon adequate and even distribution of essential war materials but also upon utilization of locally available manpower. Further efforts are essential to train inexperienced workers and to break down barriers of racial discrimination and unwillingness to employ Negroes, persons of foreign birth, aged and handicapped individuals, and women. Estimates indicate that in June 1942, 41.8 million workers were engaged in nonagricultural employment (exclusive of those in the armed forces) and 11.5 million were employed in agriculture. Further depletion of manpower to augment the armed forces will necessitate more intensive efforts to place all employable persons, and will require special community facilities for the care of young children if women aged 20–45 who normally are out of the labor market are to enter the labor force in increasing numbers. Wage differentials, substandard working conditions in some industries, and housing and transportation difficulties in already congested areas result in high rates of turn-over and reduced production. These labor-market surveys indicate that use of local reservoirs of labor, training and upgrading of workers, uniform standards for wage rates and hours and conditions of work, and allocation of Federal contracts to areas with available labor would go far toward reducing such turn-over and preventing the disruption of families and communities which now results from migration of workers from job to job.

In addition to these special analyses of local and industrial impacts of the war economy, the 1,500 full-time public employment offices serve throughout the Nation as barometers of the labor market. They have registered the waves of unemployment which resulted in turn from shortages of silk to supply the looms of New Jersey and Pennsylvania,

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from curtailment of metals for automobiles in Michigan, household utensils and refrigerators in Iowa and Wisconsin and costume jewelry in Rhode Island, and, in New York, from restrictions on manufacture of clothing for civilians. The unemployment benefits paid through these offices have proved an essential adjunct to the conversion of industry. In many instances it was evident that employers would soon need again the workers whom they were obliged to lay off while they were obtaining equipment and materials to fill war orders. Unemployment benefits helped the workers and their communities to weather the interval. The existence of unemployment compensation systems in all States doubtless averted much aimless migration in search of jobs, with resulting disruption of personal and employment relationships, and so expedited war production when the plants reopened. Many workers thrown out of jobs for the duration of the war have had to learn new skills, just as the plants and machines which turned out automobiles have had to be geared to mass production of the tools of war. The employment offices have served in this retraining of hands and eyes and brains to new tasks.

Occupational analyses.—Further gains have been made in analyzing jobs and industrial processes in both industry and the armed forces in order to promote the effective use of labor resources. As plants had to suspend production, such studies have made it possible to advise the employer and the workers concerning the type of war production which would best use their skills. It was found, for example, that displaced jewelry workers could manufacture time fuses with a minimum of special training and supervision. Garment workers have learned to make parachutes, gas masks, and military raincoats, and linotype operators and other workers in the printing and publishing industry have been transferred to war industries. From the ten thousand job analyses made by the Employment Service in the United States Army, relationships between skills used in civilian and military jobs have been determined. Trade and aptitude tests developed by the Employment Service have also been made available to the armed forces. Occupational analyses have continued to serve as bases for upgrading civilian workers and for job dilution, whereby simple processes are assigned to relatively inexperienced workers and skilled workers are used to train and supervise beginners.

Training programs.—No exact figures are available on the volume of in-plant training which has enabled the automotive industry and other producers of consumer goods to convert to wartime production. Such measures, supplemented by special courses in vocational schools and other public institutions, have been important contributions to the war effort. Some measure of the extent to which public vocational training courses have augmented the labor supply is obtainable from data on employment service referrals to pre-employment and refresher

courses and to National Youth Administration defense projects and from reports on jobs found by trainees. During the fiscal year, about 700,000 referrals to these courses were made, 628,000 to pre-employment and refresher courses in aviation services, machine-shop work, sheet-metal work, shipbuilding and boatbuilding, welding, and similar occupations, and more than 70,000 to NYA courses in which young persons receive a wage while in training. During the same period, about 400,000 jobs were filled by trainees of the pre-employment and refresher courses, 166,000 through placements by the USES, and nearly 235,000 trainees are known to have found jobs through other means. After the declaration of war, referrals to these courses and utilization of trainees moved sharply upward; monthly referrals to training courses more than doubled from December 1941 to June 1942, and employment-office assignments to NYA defense projects more than tripled.

Applicants for pre-employment and refresher training courses have come from all types of occupations—unskilled laborers, domestic servants, farmers, housewives, salesmen, and professional persons. Women have formed an increasing proportion of persons taking these courses—18.5 percent of the total in June 1942 as compared with 5.5 percent in January. In June, nearly half of the women trainees were in aviation courses and one-fourth were in machine-shop work. The representation of Negro workers has not shown a comparable increase, doubtless because it has been more difficult to place Negroes than white persons in skilled jobs for which they were trained. While the training courses have served young, middle-aged, and older persons, individuals aged 25–44 years have predominated among admissions to these courses and among placements of trainees. The proportions in various age groups shifted with the seasons, registering the displacement and subsequent reabsorption of experienced mature workers by industry, removal of young men from the labor force through induction into military service, and the availability of young persons at the close of the school year.

Administrative developments.—By the autumn of 1941 it was becoming evident that a national, rather than a State or regional, approach to the use of manpower was required to cope with the growing shortages of workers with critically needed skills, the uneven distribution of employment opportunities and unemployment, the migration of workers to areas where war industries were expanding, and problems of housing and transportation which were developing in such areas. The conversion, on January 1, 1942, of the State-administered employment offices to a system under national operation followed the Nation's entry into the war and the immediate necessity for maximum mobilization of manpower for increased production of war materials. A telegram of December 19, 1941, from President

Roosevelt to State and Territorial Governors declared that: "In order that there may be complete responsiveness to the demands of national defense and speedy, uniform, effective action to meet rapidly changing needs, it is essential that all of these separate employment services become a uniformly and of necessity nationally operated employment service." The President requested that the personnel, records, and facilities required for this operation be made available to the United States Employment Service, a request to which all the States responded.[1] Four months later, on April 18, 1942, the War Manpower Commission was established within the Office for Emergency Management by Executive Order No. 9139. The membership of the Commission included, as Chairman, the Administrator of the Federal Security Agency, and representatives of Federal departments concerned with military needs, labor resources, and industrial and agricultural production. The Chairman of the Social Security Board was named Executive Director of the Commission, and the Director of the United States Employment Service became chief of the Commission's Division of Industrial and Agricultural Employment.[2]

The President's order made the Chairman of the Commission responsible for ascertaining manpower needs and, through directives issued to the appropriate Federal agencies, for effecting proper allocation of manpower among the essential functions of military service, industrial production for military and civilian use, and agriculture. Five of eight directives issued on May 21 by the Chairman of the War Manpower Commission concerned the USES: to prepare and maintain a list of "essential activities," "essential occupations," and "critical war occupations"; to make preferential referrals of workers to employers engaged in war production in the order of their priority; to analyze the occupational questionnaires distributed under the Selective Service System and refer individuals with the appropriate skills to jobs in critical war occupations; to advise the local selective service boards in classifying or reclassifying an individual with such skills; and to increase the activities and facilities necessary to provide additional agricultural workers. Thus, during the first half year of war the USES was developing as a national mechanism to ascertain the needs for labor, analyze labor resources, and implement policies and procedures for full utilization of these resources.

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[1] Such administration was already in effect in Arizona; at the request of the State Employment Security Commission, the Board, as of July 21, 1941, assumed responsibility for administration of the State employment service, which, because of newly enacted State legislation, could not be operated under conditions required by the Social Security Board in administering the provisions of the Wagner-Peyser Act.

[2] On September 17, 1942, the President, by Executive Order No. 9247, transferred to the War Manpower Commission the U. S. Employment Service and all functions, duties, and powers of the Social Security Board relating to employment service.

Emergency Services for Civilians

The speed with which the USES has been able to reorient its activities to the emergency demands of the defense program and of war was the product of the organization, knowledge, and administrative techniques built up through the preceding years. Similar assets have been brought into play in individual and community difficulties occasioned by defense emergencies and wartime restrictions and catastrophes. These activities have made use of social security agencies at all governmental levels. Channels of communication developed through the regional and field organization of the Board and through the Board's interrelationships with the States have proved of particular importance.

Defense health and welfare services.—Federal, State, and local public assistance personnel have assisted in a wide range of emergency welfare activities developed under the leadership of the Federal Security Administrator, first in his capacity as Coordinator of Health, Welfare, and Related Defense Activities, and subsequently as Director of the Office of Defense Health and Welfare Services, established in September 1941 within the Office for Emergency Management by Executive Order No. 8890. Public assistance representatives of the Board serve on committees advisory to that Office, the Office of Civilian Defense, and other emergency and permanent Federal agencies concerned with nutrition, housing, medical care, and other services which require Nationwide consideration and specific action in areas directly affected by the war. Regional directors of the Board have served as representatives of the Office of Defense Health and Welfare Services in coordinating regional and State facilities for civilian welfare. Public assistance representatives in the regional offices serve as chairmen of family security committees which include representatives of various agencies concerned with health and welfare activities within the region. Regional, State, and local services have included collaboration with other welfare agencies in plans for social protection, nutrition, relief of dependency among the families of soldiers, transients, and aliens, and for day-care programs for children of working mothers.

Emergency benefits and assistance for civilians.—Emergency benefit and assistance programs for civilians were authorized in February 1942, when the President asked the Federal Security Administrator to assume responsibility for temporarily providing the aid required, as the result of enemy action, by civilians who are disabled; who are dependents of civilians killed, injured, interned, or reported missing; or who otherwise are in need of assistance or services.[3] The Federal

[3] By letter of October 5, 1942, the President authorized the use of emergency funds, previously allotted to the Federal Security Agency, for payment of disability and survivor benefits and provision of services and assistance for injuries or deaths resulting from enemy action or preparation to meet such action, among civilians (including enemy aliens)

old-age and survivors insurance program offered an immediate means for administering civilian war relief benefits, which were first paid in March, mainly to the dependents of civilian workers who had been engaged in military construction on Guam, Wake, and the Philippine Islands. These emergency benefits, which range from $20 a month for a child to a maximum of $85 for a family, are payable to wives, widows, children, and parents who were mainly dependent on the individual affected by enemy action. Payments certified in March–June 1942 amounted to nearly $139,000. At the end of June, 1,307 beneficiaries were on the rolls at a total benefit rate of $34,178 a month.

In addition, temporary assistance has been provided from funds made available under this Presidential order. Beginning in March, aid has been available, in some instances on a repayment basis, to enable persons evacuated from Alaska and Hawaii voluntarily and in need of funds, to pay costs of travel to the United States and maintenance en route, and for a temporary period after their arrival. Funds for these purposes were advanced to the Territorial directors of the Board and the regional director of the Board's office in San Francisco, and arrangements were made with public welfare agencies to investigate need and provide assistance when necessary. Assistance has been given also to Americans repatriated from Europe and to volunteer civilian defense workers injured in the course of their official duty. Through June 1942, assistance totaling $13,691 had been provided as follows: $5,820 for 84 persons evacuating Hawaii; $1,066 for 30 evacuees from Hawaii who received assistance in Region XII; $6,346 for 142 Americans repatriated from Europe; and $459 for 4 civilian defense workers injured on official duty. In administering temporary assistance, representatives of the Board work in close cooperation with the United States Public Health Service, the Office of Defense Health and Welfare Services, and the Children's Bureau, the American Red Cross, and other Federal and State welfare and assistance agencies. The plan for a temporary civilian war assistance program which was being developed at the close of the fiscal year contemplated that in the future such aid would, in general, be met initially by the State public welfare agencies, which would be reimbursed in full by the Social Security Board.

Removal of enemy aliens and American-born Japanese on West Coast.—Beginning in February, at the request of the Department of Justice, the Federal Security Agency facilitated the removal of Ger-

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and certain civilian defense workers in the continental United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands. On November 5, 1942, the Federal Security Administrator authorized the Social Security Board to expand the temporary programs for civilian war benefits and assistance to include the groups of persons and types of payments specified in the President's letter.

man, Italian, and Japanese aliens and their dependents from certain limited areas on the West Coast designated as prohibited by the Department of Justice. Both services and assistance, financed from a special allocation from the President's emergency fund, were furnished through the Bureaus of Public Assistance and Employment Security. Initial operations resulting from Department of Justice orders were carried on by a federally employed staff; early in March, under an agreement with the Board's regional office in San Francisco, the California Department of Social Welfare assumed operating responsibility in that State, financed from Federal funds.

Financial assistance and services to persons affected were likewise provided in connection with removal operations resulting from Army orders, which were initiated in March. Such orders eventually provided for the controlled removal of all persons of Japanese ancestry from California, the western halves of Oregon and Washington, and the southern half of Arizona. Provision was made also for voluntary removal of Germans and Italians. To implement its orders, the Western Defense Command and Fourth Army created the Wartime Civil Control Administration, which utilized services and facilities available through a number of Federal agencies, including the Farm Security Administration and the Federal Reserve Bank as well as the Bureaus of Public Assistance and Employment Security of the Board and the United States Public Health Service. Some of the local WCCA offices were service centers, designed primarily to facilitate the voluntary removal of Germans and Italians but serving also for the controlled removal of the Japanese; other local offices, designated as civil control stations, were concerned exclusively with the latter. Expenses incurred by the Federal Security Agency for WCCA operations were met initially from the special allocation originally made for financing Agency activities arising from Department of Justice orders; administrative expenses were fully reimbursable by the WCCA, and assistance costs were reimbursable in large part.

By the close of the fiscal year, 6,243 cases affected by Department of Justice orders had received minor or major service from the public assistance staff, the great majority in the initial month of operation. Financial assistance provided through the end of June totaled $24,678. Under Army operations, the public assistance staff in WCCA service offices had registered 10,721 cases by the end of June; of these cases, 365 received assistance amounting to $14,665. In the WCCA civil control stations, 26,385 cases, representing 97,691 Japanese, had been registered and removed; 723 of these cases received assistance totaling $9,171.

Plans for continuing responsibility on the part of the Board for assistance and services to enemy aliens and others in need because of

restrictive action of the Federal Government were nearly completed at the end of the fiscal year. It was planned to provide such aid through State public welfare agencies, with reimbursement from Federal funds for costs incurred.

Services to selective service boards.—A year or more before the outbreak of war, State welfare agencies had begun giving service to local selective service boards, when requested, in investigating claims of selectees who asked for deferment on the ground that others were dependent on them. By February 1942, public welfare agencies in all but one State had such agreements on either a State-wide or local basis. While formal reporting on such activities has not been established by the Board, the available information indicates that the service to the selective service boards has been very considerable. In most instances, the welfare agencies have undertaken to provide service on all requests forwarded to them by the boards, not merely on those relating to persons who are or have been on the assistance rolls. In only about a third of the cases for which information is available have the requests of the boards related to public welfare clients. Much of this work, therefore, represents an extension of the agencies' functions to provide additional community services.

Impact of the War on the Permanent Programs

The dramatic upswing in employment and earnings in the year covered by this report was reflected in the operations under all permanent programs administered by the Social Security Board. Retirements under the Federal old-age and survivors insurance program were fewer than had originally been anticipated. The total amount paid in unemployment benefits under State laws was markedly less than in the preceding fiscal year. The general increase in well-being slowed, and in some States even reversed, the upward trend in expenditures for old-age assistance, aid to the blind, and aid to dependent children, while there were sharp decreases in other programs for persons in need, notably in Federal work programs and in the general assistance provided by the States and localities.

Unemployment Compensation

The general trends obscured highly varying situations among the States. In a fourth of the States, for example, expenditures for unemployment benefits were greater, not less, than in the year preceding. The transition to wartime production brought hardships among workers in many civilian-goods industries and especially in one-industry towns. Orderly provision for paying unemployment benefits to workers and for retraining and redirecting displaced workers served to avert much distress among the more than 3 million men and women

who drew some benefits during the fiscal year and among others who were seeking work. In even this year of mounting industrial activity, nearly 32 million weeks of unemployment were compensated.

Old-Age and Survivors Insurance

Aged workers retired under the Federal old-age and survivors insurance program must have been substantially engaged in covered employment in at least 6 calendar quarters after 1936, for only so could they have gained the credits necessary to qualify them for benefits. It was to be expected that a considerable number could and would return to jobs if opportunity offered, and this has proved to be the case. As of the end of June 1942, 10.3 percent of the primary beneficiaries on the insurance rolls had their benefits in suspension status because they were in covered jobs. Many others doubtless were engaged in work not covered by the system, such as agricultural labor, domestic work in private homes, or small business undertakings of their own; since noncovered employment does not require suspension of benefits, their number is not known. Among the widows who were entitled to current benefits because they had a child or children of a deceased insured worker in their care, about 10 percent also had benefits in suspension status because of covered employment.

The full effect of the rising labor market upon employment of aged persons is not to be seen in the experience of the retired workers, of whom a large proportion are incapacitated for work. A clearer indication is evident in the extent to which claims for retirement benefits have fallen short of the potential number. It is estimated that, as of the end of the fiscal year, some 825,000 workers aged 65 and over had wage credits which would qualify them for benefits under the system; by that time, only about 285,000 of these workers had filed valid claims. Some 540,000 aged workers, therefore, have refrained from claiming retirement incomes for which they are eligible. While some may have been unaware of their rights, it is to be presumed that by far the greater number have failed to file claims because they are continuing in covered employment.

Public Assistance

Increase in the total number of recipients of each of the three special types of public assistance also obscured differing situations among the States. In some States where the programs were recently established, there was the continued expansion characteristic of the early development of a program; in others, under programs which had been in operation a longer time, the numbers on the assistance rolls remained static or showed an actual decrease. To some extent, increases in State revenues doubtless made it possible to make more nearly adequate provision

for persons in need than had been possible previously and to increase the number of recipients or the levels of payments or both. In some instances there was a systematic transfer of eligible persons from the general relief rolls to the appropriate special type of assistance.

For the country as a whole, there were increases in the average amounts of payments under each of the three programs; here again, there was much variation among the States. Increases in average payments tended to be less than the rise in the costs of food and other commodities and services which enter into a relief family's budget. An assistance payment, however, may represent not the sole resources of the recipient but only the amount provided to supplement any other available resources he may possess. It is not known to what extent there may have been an increase in such resources by reason of small earnings of the recipients or increased help from relatives.

The striking change in the field of public aid in the continental United States during the fiscal year was the decline of 25.4 percent in the year's total expenditures for assistance and earnings under Federal work programs, as compared with those in the fiscal year 1940–41, and the increase in the proportion of the total represented by expenditures for the special types of public assistance. In June 1941, payments for old-age assistance, aid to the blind, and aid to dependent children represented 32.1 percent of the total $188 million for public aid; in June 1942, 47.8 percent of expenditures of $135 million. The effect of the war economy has been to curtail greatly expenditures for assistance, except among the groups who, by definition, were relatively little able to share directly in the rising labor market. Even among the needy aged, families with dependent children, and also the needy blind, there were evidences that in some areas the rise in opportunities for employment was serving directly, or indirectly through earnings of other members of the family, to limit needs for assistance. The effect of these favorable circumstances could be measured only if it could be assumed that the preexisting levels of assistance had been adequate to meet existing needs for these special types of assistance. Since in many areas these programs have been grossly inadequate in terms of coverage, levels of payments, or both, an increase in a State's expenditures may represent an amount too small, even in a period of full employment, to meet the minimum needs of those in the population who must depend on public resources.

The Place of Social Security Programs

Payments to individuals under social security programs for which the Social Security Board carries Federal responsibilities—Federal old-age and survivors insurance, State unemployment compensation programs, and the Federal-State programs of public assistance—were a very small part of the rising stream of total income payments,

about 1.2 percent in the fiscal year 1941–42. Because of their character, however, the social security payments had an importance far beyond their proportion. All these types of payments went to persons who were little able or unable to share directly in the Nation's war effort—either temporarily, as in the case of workers involuntarily unemployed; for longer periods, as in the case of children for whom a survivor benefit or assistance was given; or ever, as in the case of many of the blind and the aged. Especially in a time of crisis and uncertainty, these provisions undoubtedly have helped to maintain civilian morale in families and communities. Unemployment insurance, in conjunction with employment services, has provided, further, a basic mechanism for maintaining morale among workers and for meeting swift and drastic changes inherent in transition to war. Through the information on employment and wages available as a byproduct of operations, both the old-age and survivors insurance program and the unemployment insurance program have furnished sights needed for aiming the Nation's activities at the requirements of war.

More important than the achievements of the social security program in any one year is the assurance it gives of an orderly approach to social risks, now recognized in the Atlantic Charter as a present and future objective of the United Nations. Many millions of American workers know that unemployment benefits will be paid them if they are laid off and cannot quickly find another job. Hundreds of thousands of aged workers who have delayed their claims for retirement benefits and millions of men and women—young, middle-aged, and old—who are building up wage credits know that if death or old age should stop their earnings, the old-age and survivors insurance program provides present protection for their dependents and safeguards against a penniless old age. Such assurance and the recognized public responsibility for aid to the needy aged, needy children, and needy blind are part of the heritage for which the Nation is fighting.

Extending the Social Security Program

The social security program established by the Congress in 1935 was envisaged as a foundation upon which more comprehensive provisions could be based as and when need for them was shown and feasibility demonstrated. In its regular and special reports to the Congress, the Social Security Board has outlined, in accordance with its legislative mandate, the directions in which it believed further action should lie. A major step was taken in the Social Security Act Amendments of 1939 when, with the provision of survivors insurance and of benefits to certain dependents of retired workers, the

emphasis of old-age and survivors insurance was placed on family needs rather than primarily on those of the individual aged worker.

Other major questions raised by the Board on the development of social insurance have related to the extension of coverage of the Federal old-age and survivors insurance program to employment excluded at the beginning for practical considerations, notably agricultural labor, domestic service in private homes, services for nonprofit organizations, public employmnt, and self-employment; a similar extension of unemployment insurance protection to appropriate groups of employees now excluded; and the application of social insurance to the serious social risks arising from temporary and chronic disability among workers and their families. In the field of assistance, the Board has been impressed with the differences which have developed from the varying economic capacity of the States to provide funds for Federal matching and the resulting large differences among the States in the levels of aid given to persons in substantially similar circumstances. Experience also has shown the limitations, in relation to the needs of families with dependent children, imposed by present restrictions on Federal matching for this program to payments which do not exceed $18 a month for the first child and $12 a month for each other child aided in the same home. It has also been clear that inadequacy of State and local resources for general assistance, in which there is no Federal participation, has resulted in some areas in severe hardships among persons who were outside the special groups aided under the Social Security Act and were not employed on Federal work programs.

The current significance of social security extension was outlined briefly by the President shortly after the attack at Pearl Harbor in his budget message of January 5. Declaring that he opposed use of pay-roll taxes as a method of war finance "unless the worker is given his full money's worth in social security," the President said that to carry out the long-contemplated extension of the coverage and scope of the program would "advance the organic development of our social security system and at the same time contribute to the anti-inflationary program." The additional contributions, he pointed out, would help absorb present purchasing power while building up reserves for post-war contingencies. The President also indicated his sympathy with amendment of the Social Security Act to modify the Federal matching grants for assistance to accord with the needs of the various States.

Experience in subsequent months has underscored the urgency of the problems to which the President called attention. All official estimates have shown a widening "inflationary gap," that is, discrepancy between the disposable income of American families and the shrinking supply of goods and services available for civilian purchase. Increased social insurance contribution rates would help to narrow this gap and

at the same time would finance development of the program. While aggregate contributions collected under Federal and State social insurance laws have reached unprecedented levels, the present increases, it must be emphasized, reflect in large part increases in deferred obligations of the existing insurance programs. As the result of the expansion in the labor force, greater continuity of employment, and the rise in levels of earnings, millions of workers who might not have had a chance to participate in these systems are accruing credits toward future benefits, and additional millions are obtaining credits which will qualify them for larger benefits than they could have earned in ordinary times. These considerations emphasize the importance of social insurance as one mechanism, among others, for helping to maintain economic equilibrium in a period of inflationary pressures and, by development of adequate reserves, for helping to forestall a general economic collapse which could follow the termination of the war.

The expansion of the labor force and the increasing mobility of labor make it even more evident that in social security, as in war, strength lies in union. War has drawn into the coverage of the Federal old-age and survivors insurance program hundreds of thousands of persons who once worked in excluded jobs and doubtless will return to their former occupations. Unless coverage is extended to the major employments and services now excepted, so that when the war is over these workers can continue to add wage credits to those they are now earning in wartime jobs, many will lessen or lose their chance for insurance protection despite the contributions they now are making or will qualify for only meager benefits.

Employment Security

The Board believes also that action is needed during the war to strengthen the unemployment compensation system so that it can effectively carry the post-war burden of unemployment. The crux of the problem lies in the financial basis of the program, especially in a period when employment and unemployment are clearly beyond the control of an employer or a State, since they are determined by national needs and international situations. At present the funds of each State are held separately for benefit payments to workers covered under the law of that State. Since the risk of unemployment varies widely among the States, some have funds far in excess of immediate and future needs, while others may be hard pressed to meet their liabilities. For this reason, pooling of funds is necessary to ensure payment of adequate benefits to all eligible unemployed workers, regardless of the States in which they are now covered, during any post-war readjustment period.

A Federal system would obviate the marked disparities in the proportion of workers protected under State laws and the degree of protection afforded. Existing differences in adequacy of benefit and coverage provisions, which arise from the differences in the ability and the willingness of the individual States to broaden the protection afforded by their laws, would be wiped out. These discrepancies may be illustrated by the fact that a worker whose high-quarter earnings and annual earnings are $400 and $1,000, respectively, would get a weekly payment varying from $11 to $17 and total benefits varying from $100 to $400, depending upon the State in which he earned his wage credits.

Although the States have made progress in broadening the protection afforded unemployed eligible workers since the inception of the program, the division of revenue among 51 separate funds limits the protection that can be provided under the existing Federal-State program. In 1940, more than half of the beneficiaries were still without a job when they exhausted their benefit rights. In many States, coverage restrictions exclude workers in small firms. Only the District of Columbia law provides for variations in the benefit amounts for workers having dependents. A Federal system would be appropriate for coverage of maritime workers who are now without protection because of the difficulties inherent in their coverage under State laws. It would reduce the number of tax returns required of employers, since a single return would serve the purposes of both the unemployment compensation and the old-age and survivors insurance programs.

A Federal program, moreover, would equalize the cost of unemployment compensation among employers. The diversity of experience-rating provisions under State laws has resulted in the fact that competing employers in various States contribute at different rates even when their unemployment experience is identical. In actuality, the allowance of additional credits against the Federal unemployment tax in line with experience-rating provisions has worked out so as to handicap competing employers in different States, a situation which that tax was intended to avoid. The result of these discrepancies is to instill in the States fear of placing their employers at a competitive disadvantage, in comparison with employers elsewhere. This fear gives an incentive to distort employer experience-rating plans and to refrain from measures to improve benefit standards. This situation works out to the financial disadvantage of employers in States which are endeavoring to deal adequately with workers' risks of unemployment and undermines the basic purpose of the unemployment compensation program. It threatens to impede improvement in the security furnished by the system and defeat the purpose for which it was created.

All these considerations, which developed in the experience of the pre-war years, have become of increasing importance in the light of the war economy and the stresses to be anticipated when the war ends. Although the total reserve accumulated by the States in the Federal unemployment trust fund represents an amount which is more than sufficient in relation to the present low volume of unemployment and existing standards of benefits, and although the fund as a whole is increasing rapidly, the reserves of some States would be threatened with insolvency under strains which must be anticipated in post-war years.

The national character of the labor market has become indisputably clear in terms of the job of mobilizing the labor force and allocating available manpower in the ways which best will serve the needs of the Nation. The task of relocating returned soldiers in civilian jobs and of demobilizing workers in war industries will bring problems at least equally comprehensive. In many instances, technological progress during the war may have drastically changed the industrial scene for workers whose experience was gained in pre-war years. Young people who have undertaken their first jobs during the war or have gone from school into the Army and Navy will require direction, and often training, to enable them to find their place in civilian pursuits. Extensive migration of workers and their families will be necessary in the readjustment of the country to peacetime activities. The Social Security Board is convinced that nothing less than a national uniformly operated employment service, sustained by an adequate and soundly financed Federal unemployment insurance system, will meet the needs of the period immediately following the war and the longer-range objectives of social security. In unemployment insurance, as in the present Federal system of old-age and survivors insurance, benefits for dependents could afford a means of providing compensation more nearly adequate for family needs. The Board believes that such a system is needed to underwrite the Nation's future security.

Old-Age and Survivors Insurance

Operation of Federal old-age and survivors insurance, in contrast to that of unemployment compensation, has shown that the basis of the program is sound. The Board believes that extension of coverage under this system to agricultural labor, domestic service, public employment, service for nonprofit institutions, and self-employment is now of paramount importance to the objectives of social security in war and in peace.

Apart from the limitation of coverage, there remains a serious lack in that there is no provision for retirement benefits to workers who become chronically disabled. In that lack the present program is almost alone among the retirement provisions of all major countries and substantially all important public retirement systems in the United States.

The war emergency has shown that many aged workers are able and anxious to continue in jobs when an opportunity offers; in many instances, advanced age of itself is a less devastating risk to individual independence and family support than physical incapacity at younger ages. Unless he has reached age 65 and can claim old-age retirement benefits, a worker ordinarily has no social insurance protection against disability except for the limited provisions under workmen's compensation laws. Moreover, if a worker is permanently disabled at younger ages, when the requirements of his family are usually greater than in his old age, he may lessen or lose the protection he has built up for himself and his dependents under the Federal old-age and survivors insurance system.

From the long-range standpoint, moreover, orderly provision for retirement of disabled workers and their replacement by others whose efficiency is unimpaired is important for industry as well as the individuals involved. This principle is likely to prove of special importance in the years following the war. The pressure of the emergency and the inclusion in the labor force of all who now can serve in any capacity will leave a considerable group of persons who, after the strain of the war years, may be unable to continue in regular employment. At that time jobs will be needed by the young and vigorous men demobilized from the armed forces. The Board believes that cash benefits, payable as a matter of right without a means test, should be provided to compensate workers for part of the wage loss sustained by chronic and total disability. Both in coverage and in benefit provisions, including survivor benefits, such a measure should follow the general patterns of Federal old-age and survivors insurance.

Two and one-half years of experience in paying old-age and survivors insurance benefits have demonstrated the desirability of liberalizing certain provisions, removing anomalies, and simplifying administrative requirements. At present, only about 42 percent of the wives of primary beneficiaries are 65 years of age or over and so entitled to benefits; the requirement should be lowered to age 60 for wives of annuitants so as to make more of them eligible for benefits, and the age requirement for widows and female primary beneficiaries lowered to the same extent. If the wife of a beneficiary has children in her care, she should receive benefits irrespective of her age. The dependency requirement for parent's benefits should be reduced to a showing that the parent was chiefly supported by the deceased wage earner, and parent's benefits should be increased to 75 percent of the primary benefit. Many minor changes to remove inequities and to simplify administration should be made. Finally, measures should be taken to protect the insurance rights of workers covered by the program who have entered the armed forces.

Temporary Disability

In its effect on family income, temporary disability is much like temporary unemployment. Nevertheless, an insured worker who can claim benefits for unemployment when he is able to work and available for work has no right to benefits when he is unemployed because of illness, even though he ordinarily must incur sickness costs in addition to his loss of wages. On an average day of the year, probably some 3 to 4 million persons are incapacitated for their ordinary pursuits by reason of disabilities of less than 6 months' duration from which they will recover sooner or later. Provision of cash benefits for temporary disability would strike at a serious cause of poverty and dependency and, in the opinion of the Board, is a needed adjunct to the social security program.

Hospital Benefits

The serious aspect of medical costs lies not in the average among the population as a whole but in the unpredictable and heavy burdens of families in which there is major illness or prolonged illness during a year. Provision of benefits to offset the burden of hospital bills on insured workers and their families would be of substantial help in lightening the problem of high-cost illness. The Board is of the opinion that the risk of hospital costs is one to which the approach of social insurance is particularly appropriate.

Public Assistance

Any social insurance system must necessarily be governed by fixed requirements and benefit scales designed, in accordance with the specific program, to cope with the more common situations and losses among the insured population; there would otherwise be no means of assuring the proper equilibrium between contributions and benefits. Under any qualifying requirements and benefit scales adopted for such a system, some individuals will fail to qualify and others will meet with a combination of circumstances which transcend the provision feasible under the general rules of the system. It is, therefore, an accepted principle that social insurance must be supplemented by a sound program of assistance, provided on the basis of individual need, to meet situations in which insurance protection is inadequate.

The assistance payments in which the Federal Government now collaborates through matching grants to States under the Social Security Act are limited to three special groups: the needy aged, needy blind, and children who are dependent by reason of the death, incapacity, or absence of a parent. Obviously, many needy individuals and families are outside these special categories of the population. Moreover, even among these special groups there are many who cannot

qualify for aid under the approved State plans for which Federal funds are provided because they fail to meet a requirement of State law, such as that for residence, or—among the families with children—are in need by reason of the parent's unemployment or insufficient earnings, rather than one of the causes specified in the Social Security Act. In addition, some States have been unable to provide sufficient funds for Federal matching to aid all persons who could qualify under the Federal-State programs or to give adequate assistance for those who are on the rolls.

This last situation, to which the President alluded in his budget message, can be met through authority to provide special aid, rather than merely the uniform matching Federal grant, to States which have relatively small economic resources of their own, as measured by some such objective scale as per capita State income. The Board is convinced that such a measure is necessary to assure comparable standards of aid to persons in similar circumstances, irrespective of the State in which they happen to live. At present the great disparity in standards of assistance under the Federal-State programs, for which the Federal share is governed by the amount that the State can provide, makes it necessary for the Federal Government to countenance and participate in operations which do not sustain the purpose of these assistance programs.

More nearly adequate support of the present Federal-State programs would still leave two other major problems unsolved: the situation of needy persons who are outside these categories of the population, and the special problems arising from the extent of need among families with children. Studies of the Board and other official agencies have shown time and again that the majority of the children of the United States are growing up in homes where resources are too small to supply the shelter, food, clothing, and other essentials needed for a child's healthful growth and development. The present expansion of earnings has improved the situation of families with children, as of others, but as a group they remain at the bottom of the economic scale and in large part below any line which can be accepted as an American standard of living. Under the stress of war conditions and of circumstances to be anticipated in the post-war years, the economic handicaps of children and their parents are a threat to the future well-being of the United States.

The Board believes that a minimum approach to this situation would be to increase the maximum amount of payments for aid to dependent children for which Federal matching is available or to remove maximums for Federal matching, leaving a State free to use Federal funds under an approved plan to meet the Federal share of as much assistance as the State agency deems necessary for families

with dependent children. The relative restriction of the Federal contribution is reflected in the fact that the Federal Government now provides a considerably smaller share of the total cost of aid to dependent children than of old-age assistance or aid to the blind. Consideration should be given also to extending the scope of the program by including children whose need is due to causes other than those now specified, i. e., the parent's death, incapacity, or absence from home. It has been suggested, for example, that Federal matching grants should be available for approved State plans which furnish aid to any child whose family resources are insufficient to ensure healthful growth and development, whatever the reason. It is of interest that Great Britain, as a means of assuring the Nation's future, is giving serious consideration to establishing flat-sum allowances for all children in the population without a means test, for all children in families below a given income level, or for all children excluding the first or the first two.

Apart from the particular need of families with children, the Board is of the opinion that Federal aid should be available for general assistance under arrangements similar to those for the special types. At present, only State and local funds are used for such aid, and typically such resources are least where and when need is greatest. The precipitate drop in the past fiscal year in total expenditures for general relief reflects general increases in employment and earnings but also masks the fact that in many areas where little or nothing was previously given needs are still acute. Since the localities have been providing about half of all funds for general relief, questions of legal settlement of applicants for relief have been an especially troublesome problem. The migration occasioned by the war, and even more the drastic readjustments of industries, communities, and families which will be necessary at the war's end, make this a responsibility which transcends county and State lines.

It is the opinion of the Board that several legislative changes are needed to improve the public assistance programs under the Social Security Act. The Board believes that the Federal Government should aid the States in financing medical care for recipients of assistance by including an appropriate share of the costs of such services in the grants to States for public assistance. The residence requirements of State plans for old-age assistance and aid to the blind should be liberalized to accord with provisions under approved plans for aid to dependent children; to this end, Federal grants under the Social Security Act should be payable only to States which do not deny assistance on the score of residence to aged and blind applicants who have resided in the State for the year immediately preceding application. To remove a requirement which is difficult

to administer and of dubious value, Federal grants for aid to dependent children should be payable with respect to otherwise eligible children aged 16 and 17 years, regardless of school attendance. The present provision for Federal participation in administrative costs of the old-age assistance program should be revised to permit the Federal Government to bear half of such costs, as it now does for aid to the blind and aid to dependent children. Under existing provisions, States receive a 5-percent addendum to the Federal grant for old-age assistance to be used for assistance payments, for administration, or for both purposes.

The Objective of Social Security

The Social Security Act of 1935 represented, in effect, prudent application of existing experience and initial limitation of new ventures. The special types of assistance stem from measures previously in long use in many States. The unemployment compensation program was intentionally designed to permit wide latitude for experimentation in diverse measures among the States. The Federal old-age insurance program assumed, in comparison with other countries, only a limited scope of protection. Risks of disability and sickness, which typically have been the first to be incorporated in social insurance measures, were recognized only in the grants of Federal funds for aid to the needy blind and, in relatively small amounts, for certain health services and vocational rehabilitation.

The past 7 years have seen the actual establishment and operation of all measures for which authority was given in the 1935 law and also of the broadened Federal insurance system established under the Social Security Act Amendments of 1939. All these measures have proved compatible with American customs and ideals, and all have served with greater or lesser effectiveness under conditions of relative economic depression, in the rising prosperity of 1940 and 1941, and during the onrush of industrial activity of the first half of 1942. Social security has been accepted as an objective in the American way of life; in operation, the program has proved adaptable to both continuing and emergency needs.

The Board believes that experience now is ample to warrant reconsideration of aspects of the program which have proved less effective than had been hoped, notably the Federal-State division of responsibility for unemployment insurance; to justify extension of the social insurance systems to a far wider segment of the population; to correct other inequalities and inadequacies, such as those evident in the field of public assistance; and to extend the devices of social security to additional risks.

These proposals envisage the ultimate attainment of a unified social security program which will sustain individual initiative on the part of American workers and their families while providing a bulwark against all major risks to those whose livelihood depends on work. Such a program must necessarily give full recognition to needs at all ages from infancy to the ages when earnings dwindle or cease. It must recognize adequately the risks of unemployment, sickness and disability, advanced age, and death of the breadwinner, in terms of compensation for loss of earnings and also in terms of means for preventing such catastrophes, insofar as possible, and restoring well-being in the households which experience them. The attack on these risks requires use of social insurance devices, of public assistance, and of organized services developed in conjunction with insurance and assistance programs or as separate community services utilizing the resources of governmental and voluntary agencies, national, State, and local. In the field of social security, as elsewhere in our economy, the war has made clear the need for unity in the approaches to Nation-wide problems and the need for speed in every measure to strengthen the American people for all-out effort. At the same time, there is urgent need to begin preparations for the sweeping readjustments which will be inevitable at the end of the war and for the continuing advance toward economic security which is among the war objectives of the United States and her Allies.

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Insurance and Assistance Programs

THE SOCIAL SECURITY BOARD has wide responsibilities for assuring effectiveness of administration, equity to individuals, and general social and economic adequacy of five Federal or Federal-State programs designed to provide economic security through money payments to individuals temporarily or permanently deprived of normal means of support. The Social Security Act also requires the Board to make a full report each year to the Congress on the administration of the functions with which it is charged and to study and recommend legislation and administrative policy for effective methods of providing economic security.

Administering and Financing the Programs

Organization of the Board.—The membership of the Board remained unchanged during the fiscal year 1941–42; on August 7, 1941,[1] the United States Senate confirmed the reappointment of George E. Bigge of Rhode Island for a 6-year term expiring August 13, 1947. The Chairman continued to serve ex officio as a member of the Board of Trustees of the Federal old-age and survivors insurance trust fund, and also was appointed Executive Director of the War Manpower Commission established on April 18, 1942.

The Board maintained the same functional organization as in previous years. Under the supervision of the Executive Director, the Bureaus of Old-Age and Survivors Insurance, Employment Security, and Public Assistance were responsible for the administration of the respective programs established by the Social Security Act. General and coordinating services for all programs were furnished by the service bureaus—the Office of the Actuary, the Bureau of Accounts and Audits, the Bureau of Research and Statistics, and the Informational Service—and by special units of the Office of the Executive Director. The Office of Appeals Council directed and supervised hearings with respect to old-age and survivors insurance payments and wage records, and reviewed decisions of appeals referees serving in the several regions. The 12 regional offices of the Board, under the supervision of regional directors, were staffed with representatives of each program Bureau and with service units concerned with accounting and auditing operations, informational activities, and maintenance of State personnel merit systems. Legal services to the Board and its

[1] This date was erroneously given as August 6, 1941, in footnote 1, page 15, of the *Sixth Annual Report of the Social Security Board.*

regional offices were furnished by the Office of the General Counsel of the Federal Security Agency. Responsibilities for personnel administration, assumed by the Agency in October 1939, were transferred to the Board in April 1942 and assigned to the Office of Personnel and Business Management Services in the Office of the Executive Director. This arrangement provided for a further decentralization of certain personnel functions to the Bureau of Old-Age and Survivors Insurance and to the regional offices of the Board.

For decentralized functions of the old-age and survivors insurance program, the Board maintained, as of June 30, 1942, personnel and facilities in 2 Territorial offices, 478 field offices, 10 branch offices, and 1,802 stations with itinerant service, representing 1 more field office, 3 fewer branch offices, and 172 fewer stations with itinerant service than at the end of the previous fiscal year. As a further step in decentralizing operations under the program, field offices were made responsible for adjudicating claims and 5 cities were selected for the establishment of area offices to review claims determinations and to certify benefit payments. An area office in Philadelphia was opened on June 1, 1942, and one in New York City on July 1.[2] The central headquarters of the Bureau of Old-Age and Survivors Insurance was moved to Baltimore at the end of the fiscal year to relieve, in part, the congestion of transportation facilities, office space, and housing in Washington, and to provide closer proximity to the wage records which, since their establishment, have been maintained in Baltimore.

Under the employment security program, the Board maintained at the close of the fiscal year 1,517 employment offices and provided itinerant service for 2,692 localities. At the end of June 1941, there were 1,498 such offices and 3,159 localities with itinerant service. The reduction was necessitated, for the most part, because of lack of funds.

On June 30, 1942, the Social Security Board had, in Washington, in the central and wage-records office of the Bureau of Old-Age and Survivors Insurance in Baltimore, and in regional and field offices, 13,297 employees, representing an increase of 615 persons as compared with the close of the previous year. Not included in this count were the 22,391 permanent and temporary employees in the employment services administered by the Board in the States.

Expenditures.[3]—Expenditures by the Social Security Board in the fiscal year 1941–42 amounted to $474.1 million, of which $374.7 million or 79.0 percent represented advances certified for grants to States

[2] The area office in Chicago opened on August 1, 1942; those in New Orleans and San Francisco on September 1.

[3] This discussion excludes $1.0 million paid by the Federal Government for postage expenses incurred by State employment services in 1941–42 and a similar expenditure of $1.2 million for the previous fiscal year.

for public assistance; $53.6 million or 11.3 percent, advances certified for grants to States for employment security administration from appropriations under title III of the Social Security Act and the Wagner-Peyser Act; and $17.6 million or 3.7 percent, title III funds expended for the Federal administration of the United States Employment Service. The remaining $28.2 million, or 5.9 percent of the total, represented obligations incurred for administrative expenditures of the Board, comprising $22.7 million for salaries, $1.5 million for travel, and $3.9 million for general operating expenses. Comparable figures for the preceding fiscal year were: total expenditures, $422.1 million; public assistance grants, $329.9 million; employment security grants, $65.6 million; and administrative expenses, $26.5 million. In both years, the major part of the administrative expenditures of the Social Security Board were costs chargeable to the Federal old-age and survivors insurance program which were reimbursed from the old-age and survivors insurance trust fund. In the fiscal year 1941–42, payments from that fund amounted to $137.0 million, of which $110.3 million represented monthly benefits and lump-sum death payments to individuals, and $26.8 million expenses of the Social Security Board and Treasury Department.

Increases in Social Security Board expenditures over the preceding fiscal year were as follows: Grants to States for public assistance were $44.7 million or 13.6 percent above those for 1940–41, and expenditures for employment security administration in the States increased $7.2 million or 11.5 percent. The 6.4-percent rise in central administrative expenses of the Board was almost exclusively in salaries; general expenses declined 7.9 percent, and expenditures for travel were nearly the same in both years. The increase of 9.7 percent in salaries reflected the emergency central office and regional functions of the employment security and public assistance programs, although increases occurred also in personnel and pay rolls for the old-age and survivors insurance program as a result of the expanding volume of claims, benefits, and appeals. Expenditures for salaries of personnel engaged in all other services declined nearly 6 (5.5) percent, despite the transfer of personnel functions to the Board and the periodic salary increases received by 29 percent of the Board's employees under the provisions of the Ramspeck Act (Public, No. 200, 77th Cong.).

Comparisons of appropriations and expenditures can be made only on the basis of Treasury reports which differ slightly in inclusiveness and stages in payment process from the fiscal records of the Social Security Board. The Board's records represent advances certified for payments to States and obligations incurred for administrative expenses of the Board, and include expenditures from special defense appropriations for the USES and expenses incurred by the Social

Security Board which are met from the general expense fund of the Federal Security Agency. Treasury data for expenditures are on a checks-cashed basis; moreover, amounts of appropriations and expenditures exclude administrative expenses other than those for salaries, reappropriated unexpended balances of appropriations for prior fiscal years, and special defense funds of $1.5 million allocated to the USES for the year 1941–42. Board as well as Treasury data include sums made available through deficiency appropriations, and both exclude funds allocated to the Board by the Federal Security Agency from the $750,000 from the President's emergency fund for benefits and assistance under the civilian war relief program and for assistance to enemy aliens and to Americans repatriated from foreign countries.

The total amount available from appropriations for the Social Security Board and from allocations to the Board from appropriations for the Federal Security Agency for the fiscal year 1941–42 was $488.1 million, of which $458.6 million or 93.9 percent was appropriated for grants to States, including grants under the Wagner-Peyser Act; $25.7 million, or 5.3 percent of the total, was appropriated for salaries and miscellaneous expenses of the Social Security Board; $1.5 million, or 0.3 percent of the total, was appropriated for selecting, testing, and placing defense workers; and $2.3 million, or 0.5 percent of the total, was allotted for traveling expenses and printing and binding.

Both sets of data exclude Federal payments to individuals under the old-age and survivors insurance program, which are paid from the Federal old-age and survivors insurance trust fund, and benefits to unemployed workers paid by the States from collections under their unemployment compensation laws, amounting to $116.5 million and $371.3 million, respectively, for the fiscal year. They exclude, also, State shares of administrative costs and assistance payments for plans for old-age assistance, aid to dependent children, and aid to the blind approved under the Social Security Act.

It is estimated that total expenditures—Federal, State, and local—under the Social Security Board programs of the Social Security Act and under the Wagner-Peyser Act for the fiscal year 1940–41 amounted to $1.3 billion, or 5.6 percent of all public expenditures for all purposes. With higher Federal expenditures for defense and war in the fiscal year 1941–42, the proportion spent for special types of public assistance, employment security, and Federal old-age and survivors insurance was appreciably smaller than in the preceding year.

Responsibilities for Federal-State Programs

Under the Social Security Act there has developed a new form of Federal-State cooperation in meeting the problems of economic security among individuals and families. Regard for dangers of insol-

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vency in individual State funds and for intricacies of maintaining individual retirement credits in 51 jurisdictions for workers who have moved from State to State during the course of a working life indicated the need for a Federal system for old-age retirement, upon which has been built the present old-age and survivors insurance program. In fields of public assistance and unemployment compensation, however, the Social Security Act has left to the States the major responsibility for determining the scope and adequacy of the programs which States might elect to establish or bring within the Federal-State framework, reserving to the Federal Government the right to withhold financial participation in any program which failed to meet certain standards of administration and of equity.

As a result, there were, as of June 30, 1942, 51 separate unemployment compensation laws with varying provisions for meeting the needs of unemployed insured workers; 51 plans for old-age assistance varying in levels of payments and criteria of need; and 47 approved plans for aid to dependent children and 44 for aid to the blind with varying eligibility requirements and assistance levels.[4] Before certifying Federal grants for Federal participation in these 193 diverse programs, the Social Security Board must judge the extent to which each fulfills the conditions laid down in the Social Security Act. Since the act permits wide latitude for State variations in legislative provisions, Federal responsibility is concentrated on determining standards and performance with respect to methods of administration, legislative interpretation, and fiscal control.

Personnel merit systems.—Since January 1, 1940, the Social Security Act has required, as a condition of Federal participation in State unemployment compensation and public assistance programs, that standards of proper and efficient administration shall include establishment and maintenance of personnel merit systems. All States have, therefore, either included personnel of their employment security and public assistance agencies under existing State-wide civil-service systems, have established such systems, or have set up joint or separate merit systems for personnel in Federal-State programs under the act. The State Technical Advisory Service of the Board has had continuing responsibility for aiding States in establishing these systems, in determining the content and conduct of examinations for selection of staff, in building up registers of eligible candidates, in constructing classification, compensation, promotion, and appeals systems, and in determining the composition and responsibilities of

[4] As of June 30, 1942, four States (Alaska, Iowa, Kentucky, and Nevada) were without approved plans for aid to dependent children. Seven States (Alaska, Delaware, Illinois, Kentucky, Missouri, Nevada, and Pennsylvania) lacked approved plans for aid to the blind; a plan for aid to the blind in Kentucky was approved by the Board on July 14, 1942.

merit-system councils. Through representatives in regional offices this Service offers, on request, continuing counsel to State agencies in meeting new problems, and observes and evaluates the effectiveness of merit-system operation.

Designed to foster a career service, merit systems in the States have served well in maintaining efficiency and relative stability in staffs of social security agencies. Military recruitment and defense production have opened new job opportunities, but personnel turnover, while serious, has been less in State social security agencies than in State agencies not under merit systems. In their personnel policies the social security agencies have been building, as far as possible, to meet post-war as well as war problems. Efforts to gear merit-system administration to war conditions have included more frequent examinations and, where necessary, continuous recruitment, revision of compensation plans, more rapid promotion of qualified employees, reduction in the number of specialized classes of positions, and increasing use of qualified women. Increased effectiveness is also sought in reducing the time required for the conduct of examinations and in ensuring more rapid preparation of lists of qualified applicants, more frequent circularization of eligible lists, and the use of the Employment Service in recruiting. The active, continuing cooperation of administrative officials and employees, the quality and character of merit-system councils, and the strength of public support provide a sound foundation for present service and future progress.

Legislative and fiscal supervision.—Proposed and enacted amendments to State laws and changes in State public assistance plans have entailed, as in past years, detailed evaluation of legal, fiscal, and administrative aspects of Federal-State programs under the Social Security Act. In the fiscal year 1941–42, few States held regular legislative sessions, and formal consideration was given to amendments of unemployment compensation laws in only 16 States. Changes in the status of unemployment compensation laws effected by amendments, the adoption of rules and regulations, court decisions, or other factors were reviewed for all States, for the purpose of enabling the Board to make required findings as to conformity with Social Security Act requirements.

Administrative supervision requires, also, continuing review of unemployment benefit decisions, court rulings, opinions of attorneys general, and the conduct and results of State hearings of applicants for unemployment compensation and public assistance who are dissatisfied with agency determination of their eligibility or levels of payments. During the year, digests were prepared, annotated, codified, and published, giving precedent decisions on coverage, eligibility, and dis-

qualifications under Federal and State laws affecting unemployment compensation rights. Surveys of public assistance administration were made in 196 localities in the course of continuous administrative review of these programs. Semiannual pre-audits of financial transactions were completed for 51 State unemployment compensation agencies and 24 joint merit systems; post-audits were completed for employment service pay rolls for January–March 1942. Semiannual post-audits are made for each approved State public assistance program; 233 such audits were completed in the fiscal year 1941–42.

Other services.—Effective cooperative performance of any function requires periodic survey of the results achieved by all participants. The Board has, therefore, maintained reporting services on a Nation-wide basis to give a comprehensive summary of the status of insurance and assistance programs in the national economy and in the economy of each State. Monthly or other periodic reports on payments and individuals receiving payments and brief summaries of special studies are published in the *Social Security Bulletin*, which is distributed to officials of collaborating Federal and State agencies. Its annual supplement, the *Social Security Yearbook*, is issued for the same administrative distribution to summarize, in perspective, administrative, legal, and economic developments in each calendar year. The *Employment Security Review*, issued monthly, has been an administrative tool for informing personnel in State and local employment offices of national and local developments in the campaign to mobilize manpower. The *Unemployment Compensation Interpretation Service*, also issued monthly, makes available to State unemployment compensation agencies precedent decisions, rulings, and opinions rendered under the laws of all States.

Studies, reports, and compilations evaluating special aspects of administration are distributed in printed or processed form to make the results of analysis of one or more phases of social insurance and assistance available for administrative purposes; some such publications are available to the general public through purchase from the Superintendent of Documents. Because of the war emergency, all printed or processed publications have been reduced in length and in number of copies, and many reports have been discontinued or indefinitely suspended. Informational activities were mainly directed toward acquainting new workers and employers with their rights and responsibilities under the Social Security Act; toward obtaining the cooperation of workers and employers in meeting the requirements of the defense and war programs, particularly with reference to the work of the USES; and toward assisting State public assistance and unemployment compensation agencies in their informational activities and problems.

The Program in Perspective

The pages which follow give in some detail the units by which social security developments in the fiscal year may be measured. As isolated figures, amounts of payments to individuals and States, number of recipients of such payments, and other bench marks of progress may seem large or insignificant, depending upon the setting in which they are placed. To the extent that old-age and survivorship protection has been acquired by larger segments of the population through the concentration of workers in the employments to which the program is limited, the fiscal year records substantial progress. Payments of retirement benefits, unemployment compensation, and assistance reflect the fact that the levels of employment and earnings have substantially reduced the incidence of the risks these payments are designed to meet, but indicate the very substantial offset required even in this year to loss of normal means of support. In a dynamic economy, relative emphasis of these programs of necessity shifts with tides of prosperity and depression, technological developments, and standards and costs of living. The real measure of the effectiveness of the programs for which the Social Security Act laid a foundation lies in their flexibility, their sensitivity to changing needs, and the assured place they have gained in government policy and the will of the people.

Employment Security

The fiscal year 1941–42 demonstrated to a greater extent than any prior period the fundamental value of the employment security program for workers and their families, for local communities, and for the Nation as a whole. Through detailed knowledge of the training, skills, and experience of members of the local labor force, employment offices were in a position to aid materially in supplying manpower to gear production schedules to wartime needs and to anticipate the effects of shortages of materials, housing, transportation, and educational, sanitary, social, and recreational facilities throughout the United States. Benefits under State unemployment compensation programs served in no small measure to maintain workers and their dependents while existing plants were converted to produce goods for military use and while new factories were under construction.

Employment Service

Prior to the establishment of unemployment compensation programs, the public employment services of the United States functioned under the limitations of inadequate and emergency financing, and a large proportion of their placements were in the domestic service and unskilled occupations. With registration for work a requirement for

establishing eligibility for unemployment benefits, the employment offices widened their contacts with workers and employers in industry and commerce. The contribution of the Employment Service to the war emergency has been described in part I of this report. The transfer of this service from the States, first to the Social Security Board for Federal administration and subsequently to the War Manpower Commission, gave ample proof of the importance of the role of the Service in Nation-wide mobilization for agricultural and industrial prduction.

Placements.—The USES made 8.1 million placements in the fiscal year, the largest volume on record, 29.3 percent more than in the previous 12-month period and 75.7 percent more than the total for 1939–40. By the end of June 1942, a radical shift had already occurred in the placement activity of the USES. Jobs filled in manufacturing had expanded rapidly, while those in trade and service were falling. Shipyards and aircraft companies were using USES facilities to the utmost, especially on the Pacific Coast. These placements include complete and supplementary placements in agricultural and nonagricultural jobs. Nearly 970,000 placements were made in Texas, 692,000 in California, 672,000 in New York, and 505,000 in Tennessee.

Active file of applicants.—Registrants in the active file of the USES include unemployed persons seeking work, new entrants to the labor force, and employed persons in search of better jobs. Despite the addition of millions of new or returned workers to the labor force, the number of job seekers registered as of the close of the fiscal year 1941–42 had declined to 4.3 million, the lowest point, except for May 1942 and October and November 1941, in the history of the Employment Service. The decrease was entirely attributable to a drop in the number of men, for the number of women job seekers was at the near-record high of 1.5 million. On June 30, 1942, New York, with 468,091 registrants, had the largest reservoir of applications. Of the 49 jurisdictions for which data on the active file are comparable for both fiscal years, only 8 (Arizona, Indiana, Michigan, Minnesota, Oklahoma, South Carolina, Washington, and Wyoming) had larger numbers of registered job seekers on June 30, 1942, than on the corresponding day of 1941; the increases ranged from 0.3 percent in South Carolina to 37.9 percent in Minnesota. Decreases ranged from 71.8 percent in Idaho to 0.5 percent in Illinois, with nearly half representing declines of 25.0 percent or more.

Applications received during year.—A large proportion of the 18.9 million applications for work received during the fiscal year were in the six States (California, Illinois, New York, Ohio, Pennsylvania, and Texas) with the largest total population, each of which had a

million or more applications. For the United States as a whole, the rate of applications rose from 4.4 million a quarter in July–September and October–December 1941 to about 5.0 million in the first 2 quarters of 1942. Curtailment of civilian industrial employment contributed to this increase, for the number of initial claims for unemployment benefits received in central State offices increased from 1.4 million in July–September and 1.5 million in October–December 1941 to 1.8 million and 1.7 million, respectively, in January–March and April–June 1942.

Compensating Unemployed Workers

The increase in industrial and commercial employment during the fiscal year brought many new workers under the protection of State unemployment compensation programs and greatly augmented the contributions collected to finance these programs. Claims and benefit payments rose and fell with displacement of insured workers from their customary jobs and reabsorption of these workers in expanding war industries. For industries and communities which have not yet participated in the rapid conversion and for individual workers who have been unable to find new jobs promptly, these benefits have been an important means of conserving the labor force and bridging the transition to all-out war production.

Workers with wage credits.—It is estimated that at least 37.2 million workers earned wages in employment covered by State unemployment compensation laws at some time during the calendar year 1941. There will probably be more than 40 million workers with wage credits in 1942, since employment in covered industries continued to expand greatly during the first 6 months of 1942. The figure for 1941 represents a rise of nearly 16.4 percent from the coverage in 1940, which in turn was 6.2 percent higher than in 1939. These figures are adjusted to account for workers who have wage credits in more than one State.

The increase in the number of employers subject to State unemployment compensation laws is also impressive; there were nearly 893,000 in the fiscal year 1941–42 as compared with 851,000 in 1940–41 and 811,000 a year earlier. The coverage of the program is more limited than the Federal old-age and survivors insurance system; while both insurance programs apply almost exclusively to industrial and commercial employment, all but 12 State unemployment compensation laws, like the Federal Unemployment Tax Act, contain a size-of-firm restriction which denies coverage to workers in very small establishments (in 24 States, less than eight employees). Variations in State laws with respect to eligibility requirements, benefit amounts and duration, disqualifications, and other conditions result in wide differences in the protection afforded against the risk of involuntary unemploy-

ment. Serious questions for the future arise from these factors, the inadequacy of present benefit duration, and doubts concerning the ability of some State funds to finance benefits when factories must close again for re-tooling to produce goods for civilians.

Benefits and beneficiaries.—In the fiscal year 1941–42, $371.3 million was paid in benefits to unemployed workers under State unemployment compensation laws, an amount 14.3 percent less than in the previous 12-month period and 23.0 percent below the payments in 1939–40, the first full fiscal year of benefit payments throughout the country. This reduction in payments for the United States as a whole masks wide differences among the States, some of which paid out far more in 1941–42 than in the previous fiscal year. Whereas declines of 50 percent or more were recorded in 4 States, 14 States paid more in benefits in 1941–42 than in the prior year, with increases ranging from 0.8 percent in Oklahoma to more than 103.7 percent in Michigan. Some increases resulted from more liberal benefit provisions, but, for the most part, the uneven incidence of unemployment resulting from shortages of materials and the uneven distribution of Federal contracts were the causes—factors over which employers or States could have little or no control.

For the country as a whole, quarterly rates of benefit payments reflected the ebb and flow of unemployment which followed in the wake of priority orders and production speed-up. In the first quarter of the fiscal year, July–September 1941, benefits amounted to $78.9 million; in subsequent quarters the rates were $69.4, $124.1, and $97.3 million, respectively. The average weekly benefit for total unemployment was $11.99.

Unemployment in the total labor force as estimated by the Work Projects Administration [5] averaged 5.2 million persons in July–September 1941, dropped to 3.9 million in the following quarter, rose to 4.0 million in January–March 1942, and dropped again to a low point of 2.8 million in the last quarter of the fiscal year. The weekly average number of beneficiaries under State unemployment compensation laws for these periods were 558,786, 474,470, 812,458, and 610,244. On the basis of these estimates, therefore, in an average week in these quarters approximately 10.7, 12.2, 20.3, and 21.8 percent of the unemployed workers in the labor force received one or more weekly benefits. The higher proportion of benefit recipients in the quarter January–March 1942 doubtless resulted from the beginning of new benefit years in many States, permitting workers who had exhausted benefit rights in earlier months to qualify for additional payments.

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[5] On August 24, 1942, the responsibilities and functions of the Sample Surveys Section, Division of Research, Work Projects Administration, was transferred by Executive Order No. 9232 to the Bureau of the Census, in which the Current Surveys Section was established to continue the series.

In the fiscal year 1941–42, local offices of State unemployment compensation agencies received 6.4 million initial claims for benefits; the net number of new claims allowed was 4.5 million. In the same period 40.4 million continued claims were received. The number of first benefit payments issued, a measure of the number of different individuals receiving one or more payments under the program during the year, was 3.2 million in 1941–42 as contrasted with 3.9 million in 1940–41 and 5.1 million a year earlier.

Weeks compensated.—The average duration of unemployment benefits was 9.5 weeks in 1941–42 as contrasted with 10.6 weeks in the prior year. For the United States as a whole, 31.5 million man-weeks of unemployment were compensated in the 12-month period ended June 30, 1942, or 23.5 percent less than the 41.1 million compensated in the previous year. For the 4 quarters of the year 1941–42 the trends of weeks compensated were 7.3, 6.4, 10.4, and 7.9 million, paralleling the quarterly fluctuations in amount of benefit payments. Total unemployment represented 91.3 percent of the weeks compensated, as compared with 90.3 percent in the previous year. In July–September 1941, weeks of total unemployment compensated represented 91.8 percent of all compensated weeks; this proportion dropped to 89.2 percent in October–December 1941, and rose to about 92.0 percent for the first 2 quarters of 1942.

Funds available for benefits.—As of June 30, 1942, States had $2.9 billion available for benefits, including amounts in their accounts in the unemployment trust fund in the Federal Treasury and amounts in State clearing and benefit-payment accounts. This sum amounted to $77.72 per worker with wage credits in 1941 as compared with a ratio of $65.89 in the previous year. Fuller employment, higher wage rates, and overtime pay account for the increase in accumulations in relation to the number of workers who have acquired current rights under these State programs. For the United States as a whole, funds available for benefits on June 30, 1942, were the equivalent of 4.8 times the amount expended in the highest year of benefit payment. The reserves of individual States showed wide variations, however, ranging from 34.4 to only 1.9 times the expenditures in the highest year of benefit payments. These differences reflect the variations among the States in tax base and in the volume and duration of unemployment and in the benefit formula in effect during the years in which benefits have been payable. It is apparent that the reserve funds in some States would be unable to carry the burden of increased benefit payments in a future depression period, when the workers who have recently entered covered employment claim benefits based upon their high wartime earnings. The reserves of individual States range from accumulations sufficient to compensate only about one-fifth of the insured workers to

amounts more than adequate to meet all compensable unemployment if all workers with wage credits were unemployed. In a period of widespread and prolonged unemployment, however, average benefits would have to be higher in amount and longer in duration if the compensation program is to be a significant factor in providing economic security for workers, communities, and the Nation.

In 1941–42, States deposited $1,096.0 million in the unemployment trust fund in the Federal Treasury, 23 percent more than in 1940–41. These deposits represent amounts collected from employers, and in 5 States from employees also, during the fiscal year. In this period, $62.0 million was credited to State accounts as their share of Federal interest payments on the securities in which the fund is invested. With total withdrawals of $368.1 million, the balance of the State accounts amounted to $2,883.7 million in the trust fund at the end of the year, appreciably more than the balance of $2,093.7 million at the end of the previous fiscal year. Average rates of collection in the several States varied. In 34 States with experience-rating provisions which allowed reduced rates for employers who met the requirements of such provisions, the average rates ranged from 0.9 to 2.7 percent of wages for employment. It is estimated that for the year 1942 the employer contribution rate will average 2.1 percent for the country as a whole. In Michigan the rate was 3.0 percent. The rates for employee collections were 1.0 percent in Alabama, California, Kentucky, and New Jersey, and 1.5 percent in Rhode Island.[6] Sixteen States had flat contribution rates of 2.7 percent payable by employers only.

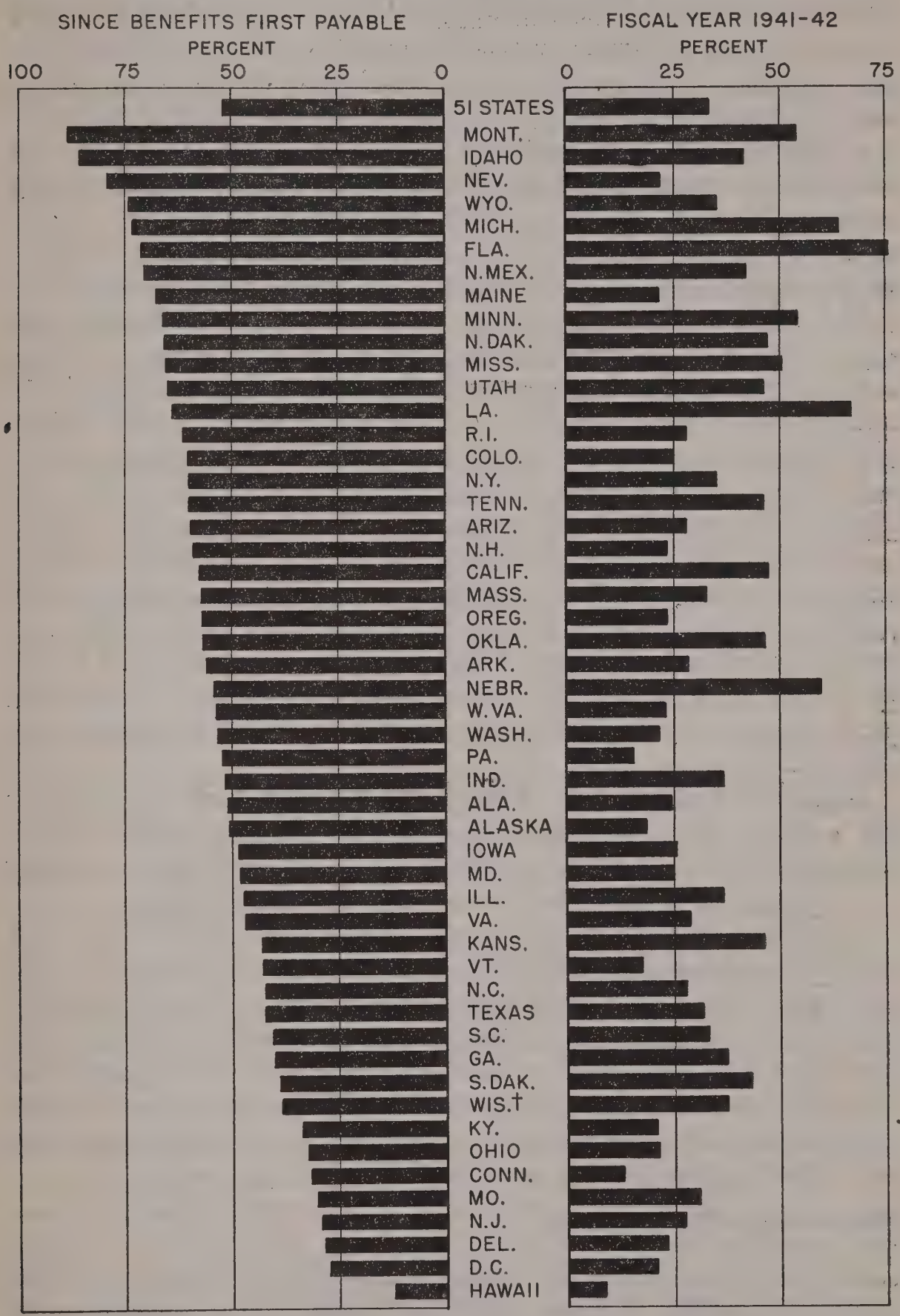
Ratio of benefits to collections.—For the United States as a whole, benefit payments in the fiscal year 1941–42 represented approximately 34 cents for each $1 of current revenue. Among the States this ratio ranged from 76 cents in Florida to about 13 cents in Connecticut and 8 cents in Hawaii. Seven States expended 50 percent or more of their collections, and 18 spent no more than 25 percent. In the previous fiscal year, benefits represented 49 cents for each $1 of current collections, with a range of 10 cents to $1.07 in the ratios for individual States.

Administrative Expenditures

Under the terms of the Social Security Act, the Federal Government pays all necessary and proper costs of administering State unemployment compensation laws, and, until January 1, 1942, it matched, under the Wagner-Peyser Act, State funds for costs of operating the United States Employment Service. Administrative costs for State agencies for the fiscal year 1941–42 to maintain both functions of the employment security program were nearly $74.8 million, $6.1 million or nearly 9 percent more than for the previous year, reflecting the increased

[6] Beginning with June 1, 1942, 1.0 percent of employee contributions in Rhode Island will be used to finance cash sickness benefits under a law enacted April 29, 1942.

Chart 1.—*Unemployment compensation: Benefits paid as percent of collections, since benefits first payable and for fiscal year 1941–42, in each State* [1]



[1] See also table 10. Date at which benefits first payable varied among States between January 1938 and July 1939, except for Wisconsin which began payments August 1936.

† Ratio since benefits first payable based on collections and benefits paid beginning January 1938, because data for earlier period not comparable with initial period of benefit payments in other States.

responsibilities and services of the USES.[7] With the transfer of State employment services on January 1, 1942, to the Social Security Board for administration by the Federal Government, operations under the Wagner-Peyser Act were suspended, and Federal funds alone were used for employment security administration for the last 2 quarters of the fiscal year.[8] State and local funds represented less than 5 percent of all administrative expenditures for the 12 months ended June 30, 1942; Federal grants under the Wagner-Peyser Act amounted to $1.6 million; advances certified under the Social Security Act were nearly $52.0 million; and $17.6 million was expended from title III funds for Federal administration of the USES in the period January–June 1942.

The public employment services of the District of Columbia have always been administered and financed from Federal funds. Since July 21, 1941, at the request of the State agency, operations of the Arizona State employment service have been similarly under Federal management in accordance with authorization for the assumption of such authority in the Labor-Federal Security Appropriation Act, 1942 (Public, No. 146, 77th Cong.), which specified that "in case any State employment service is found unable to render adequate service in connection with the fulfillment of this program [selecting, testing, and placing defense workers], this appropriation shall be available . . . for maintenance of special employment facilities and services." Under newly enacted State legislation, the Arizona employment service could not be operated by the State agency under conditions required by the Wagner-Peyser Act.

Additional Federal costs of administration are incurred by the Social Security Board in maintaining its central and regional services for the Federal-State employment security program, and by the Treasury in collection of the Federal unemployment tax and in the management of State accounts in the unemployment trust fund. Such costs are not available separately but are merged with other administrative expenses of these two Federal agencies. Expansion of employment in the war emergency increased Federal collections under the Unemployment Tax Act from $97.7 million in 1940–41 to $119.9 million in 1941–42. Returns under this tax must be filed after the end of each calendar year and may be paid in four quarterly installments. The tax is based on taxable wages paid in the preceding calendar year.

Administrative Developments

The war emergency has entailed rapid and far-reaching adjustments of the employment security program—adjustments which have re-

[7] Excludes State expenditures for postage; see table 5, footnote 7.

[8] On September 17, 1942, the President, by Executive Order No. 9247, transferred to the War Manpower Commission the USES and all functions, duties, and powers of the Social Security Board relating to employment service.

quired correlation with nearly all other social and economic measures to achieve capacity production and to build the armed forces to wartime strength. Working first through State administrative agencies, the Social Security Board organized procedures to standardize and improve the Nation-wide collection of information on industrial and agricultural demand for labor, labor supply, and other factors related to recruitment, such as wages, transportation facilities, and living conditions; to analyze and distribute essential information from these and other sources; to assure maximum utilization of locally available workers through training programs and modification of restrictive hiring specifications; to control recruitment and placement in critical occupations and industries; to provide relief of unemployment resulting from labor displacement and use of displaced workers in strategic production; and to prevent futile migration of workers in search of jobs.

Employment service.—The outbreak of war necessitated unified Federal direction of these processes. On December 19, 1941, the President asked State Governors to transfer to the Social Security Board, as of January 1, 1942, the facilities, personnel, and records of State and local employment offices for uniform national operation, and on April 18, 1942, the War Manpower Commission was established by Executive Order No. 9139 to weigh needs for labor and to direct various Federal agencies with respect to the allocation of labor resources to essential services.[9] The foundations for policies and directives of the War Manpower Commission had been largely developed in the fiscal year by the labor-market surveys, by experience gained from local, State, and regional operations under the employment security program, and by the studies and recommendations of the Federal Advisory Council for Employment Security.

Special techniques and services were instituted during the fiscal year to facilitate recruitment and placement of qualified workers. Employment offices for labor-market areas artificially divided by State lines were consolidated in Kansas City, Cincinnati, Louisville, and Bristol, Va. Interregional clearance procedures for placement of qualified workers were developed and improved. Special employment offices were established to recruit and place workers in airplane factories and shipbuilding plants, and mobile employment offices, operated in connection with mobile camps of the Farm Security Administration, followed migratory farm laborers from place to place on the eastern seaboard to expedite placement in areas of acute shortage. Preselected groups of qualified applicants were assembled at designated local employment offices for mass interview

[9] See footnote 8.

with out-of-State employer representatives to provide assurance of definite jobs before workers left their home communities. Through efforts of the USES, many fourth-year students in high schools and colleges were placed before graduation, ensuring the immediate use of persons with special training in mechanics and engineering. Special recruiting efforts were made to supply technicians for the British Civilian Technical Corps, for work on new or enlarged air bases of the United States on the Atlantic and Pacific Coasts and on outlying islands, for radio service on American merchant vessels, and for merchant-marine training schools.

New sources of information on the occupational skills and experience of the American labor force were tapped to locate workers who could serve in a more direct capacity in furthering the war effort. The USES participated in the development of the occupational questionnaire which was filled out by substantially all the adult male population in registering under the Selective Training and Service Act. Under a cooperative agreement with the Selective Service System, local draft boards sent a duplicate copy of each questionnaire to the local employment office to be used as a basis for information necessary in recruiting workers with unused skills for placement in essential war industries. These questionnaires have been analyzed, to the extent permitted by available funds and qualified personnel, as a basis for orderly allocation of the Nation's manpower to the armed forces and to industrial and agricultural production, to the end that workers with skills in critically short occupations may serve where they are most needed.

In western States, as has been mentioned in part I of this report, the employment offices and employment service personnel played an important part in the voluntary and controlled evacuation of enemy aliens and American-born Japanese.

Unemployment insurance.—Responsibilities of the Social Security Board with respect to the operation of State unemployment compensation programs derive from the provisions of the Social Security Act. Federal grants for unemployment compensation administration and employer credits against the Federal unemployment tax require certification by the Board that the State law conforms to certain standards which safeguard the rights of workers and assure proper use of State unemployment funds and Federal administrative grants.

Proposed or actual changes in State laws and regulations are reviewed and standards developed with respect to methods of administration relating to the payment of benefits, benefit-appeals procedures, and the establishment and maintenance of personnel systems on a merit basis. Procedures are developed likewise for the

consideration of budgets for State administrative expenditures, prior to Board action on grants, and for accounting controls. State reports, State benefit decisions, and the reports of field representatives are analyzed in order that the Board may be advised when there is reason to believe that in the actual administration of a State law there may be a denial of benefits in a substantial number of cases to individuals entitled thereto or a failure to comply with any of the provisions required to be included in the State laws in order to meet the requirements of the Social Security Act. Compliance with provisions required to be included in State laws as a condition of certification for normal and additional tax credits under the Federal Unemployment Tax Act is similarly checked prior to Board action certifying States to the Secretary of the Treasury at the end of each tax year.

On December 31, 1941, the Board certified to the Secretary of the Treasury the laws of all 51 jurisdictions as meeting the requirements of the Social Security Act and the Federal Unemployment Tax Act which entitle employers to normal credits against the Federal tax. The laws of 17 States were further certified as satisfying the requirements for additional credits for reduced contribution rates based on experience rating.

Time and cost studies have been initiated as a basis for determining budgetary needs, for reducing administrative costs, and for promoting administrative efficiency. Current operations and administrative procedures for charging benefits to employer accounts have been analyzed to ascertain the extent to which they meet the requirements for approval of modified contribution rates under experience-rating provisions of the State and Federal laws. Levels and duration of benefits for partial and total unemployment have been observed to evaluate the effectiveness of the program in achieving the purpose for which it was designed and to form a basis for recommendations for improvement. The effects of coverage, eligibility, and disqualification provisions as revealed in administrative determinations and court decisions have been studied to determine their consistency with Federal standards, such as the labor-protection standards of the Federal Unemployment Tax Act, as well as their more general policy implications. Developments in unemployment insurance and retirement programs for railroad workers, State workmen's compensation laws, and other social insurance and related programs in this country and abroad have been followed to ascertain the interrelationships of unemployment compensation, disability insurance, and retirement programs from the standpoint of gaps or duplication in protection and effectiveness of meeting risks.

A reciprocal agreement was signed on April 12 between the Dominion of Canada and the United States Government providing for participation of Canada in the interstate benefit-payment plan. A step in the direction of increasing social insurance protection was the enactment of a law in Rhode Island to provide cash benefits to insured workers in periods of unemployment due to disability resulting from sickness or nonoccupational injury. Unemployment compensation laws have been amended in 42 States, also, to preserve the benefit rights of workers who enter the armed forces. Amendments to the New York, Rhode Island, and Michigan unemployment compensation laws provided for increases in amount and duration of benefits. In Michigan, the increases are to be effective only until May 31, 1943. Amendments to the New York law, to become effective November 30, 1942, will permit benefits for certain types of partially unemployed workers under a plan which makes a day, rather than a week, of unemployment the basis for payments.

Separation of Placement and Insurance Functions

Upon the transfer of State employment services to the Social Security Board, individuals in State employment service positions who had been appointed under State merit systems were appointed to positions in the Federal classified civil service. This action had been authorized by Executive Order No. 8990, dated December 23, 1941, and later amended by Executive Order No. 9008, dated January 2, 1942. Plans for such appointments, as of January 1, 1942, were facilitated by arrangements with the United States Civil Service Commission. These individuals have leave and retirement rights under the Federal civil-service system; however, legislation was needed to permit them to carry over to the Federal service credit for leave and retirement rights acquired as State employees. The payment of salaries to such individuals while taking Federal leave on the basis of unused State leave is now authorized under a provision of the Labor-Federal Security Appropriation Act, 1943 (Public, No. 647, approved July 2, 1942).

Registrations for work and claims for benefits are taken at local employment offices. Accordingly, upon the transfer of the employment services, arrangements were made for the local offices to continue to render services to the State agencies in connection with claims taking. Administrative difficulties have been encountered when it has been necessary to separate personnel and functions concerned with employment service activities from those related to unemployment compensation, such as claims taking and investigation of availability for work. These difficulties were augmented by the provision of the Labor-Federal Security Appropriation Act, 1943, which requires that

United States Employment Service salaries which are paid from the appropriation therein made be fixed in relation to State, rather than Federal, salary levels. Another provision prohibits the use of the Federal appropriation to pay the salary of any USES employee who is engaged, as determined by the State director of unemployment compensation, for more than half of the time in administering the State unemployment compensation law, including such functions as claims taking. In the past, sound administrative practice dictated close correlation of insurance and placement services in State and local offices with flexibility in personnel functions which would permit shifts to the type of service which is most in demand—placement in times of labor stringency and benefit payments in times of job stringency. The present need for uniform, centralized, Federal direction of manpower suggests a similar need for Federal unification of unemployment insurance when the emphasis shifts—as shift it must, at least temporarily—to efforts to meet the needs of unemployed workers when the economy is reconverted to peacetime production.

Old-Age and Survivors Insurance

Use of the administrative personnel and facilities of the old-age and survivors insurance program to provide emergency benefits under the temporary civilian war relief system has been described in earlier pages, which also outlined other major impacts of the war on the scope and effectiveness of future operations of this Federal insurance program under the Social Security Act. The main developments in 1941–42 were the large increase in covered employment and taxable wages and the less-than-anticipated rise in number of beneficiaries, attributable to the industrial activity and labor stringency which characterized the year. Both developments may be sharply reversed with the readjustment of the economy to post-war conditions.

Covered employment and taxable wages.—The continued expansion in war industries raised the number of workers in covered employment, the amount of their taxable wages, and their average wage to new high levels in the calendar year 1941. It is estimated that annual taxable wages averaged $1,007 in 1941, 7.7 percent more than in the previous year. Higher wage rates, more prevalent full-time employment, and overtime pay accounted for this increase in the average for all covered workers, despite the fact that many workers included in the total had taxable earnings for only a part of the year, i. e., entered covered employment after the beginning of the year or left covered employment for public service, civilian or military, during the year. Approximately 41.6 million workers, 18.2 percent more than in 1940, earned old-age and survivors insurance wage credits in 1941,

while their total taxable wages mounted 27.4 percent from 1940 to $41.9 billion. The accelerated tempo of industrial production in 1941 is reflected in the fact that the percentage gain in both workers and taxable wages in 1941 from the previous calendar year was more than double the gain in 1940 from 1939.

According to estimates, between two-thirds and three-fourths of all persons in the labor force in 1941 worked at some time during that year in employment covered by the old-age and survivors insurance program, and more than two-thirds of all wage and salary payments in 1941 were taxed under old-age and survivors insurance. New workers who acquired wage credits under the program came from the ranks of the unemployed, from noncovered employment, and from the home and school. The first 2 quarters of 1942 continued the upward movement in covered employment and taxable wages. For April–June 1942, it is estimated that 36.8 million workers earned $13.2 billion in taxable wages, an increase of 5.4 percent and 28.2 percent, respectively, from the second quarter of 1941. The number of employers reporting taxable wages under the program increased continuously throughout 1940 and 1941; more than 2.2 million reported in the last quarter of 1941.

The response to greater employment opportunities is indicated by the receipt in 1941 of the largest volume of applications for employee account numbers since 1937, the first full year of registration. The 6.7 million new account numbers issued in 1941 raised the cumulative total of individual accounts established to more than 60 million by the end of the year. On January 1, 1942, living account-number holders constituted 54.5 percent of all persons in the population aged 14 years and over, and by June 30, 1942, the estimated 59.4 million accounts of living persons represented 57.1 percent of the population in this age group. The labor reserves of women and young people were drawn upon to a larger extent in 1941 than previously and still represent the largest potential labor source. Women filed a larger proportion of applications—45 percent—than in any other year, and in the last quarter of the year outnumbered the men applicants for the first time. Applicants under 20 years of age represented 47.5 percent of the total number in 1941 compared with 40.9 percent in 1940. In the first 2 quarters of 1942, women and young people continued to form a larger proportion of all applicants for account numbers than in comparable quarters of previous years. In June 1942, the weekly average of 200,808 new accounts established exceeded any other weekly average after 1936.

Not all account-number holders have acquired wage credits under the program, for some unemployed persons and others in domestic service, public employment, or other types of excluded gainful work

have applied for and received numbers in anticipation of the receipt of such wage credits. Similarly, not all persons with wage credits acquire full protection under the system. Men and women who have left covered employment to join the armed forces or their auxiliaries, to enter other excluded services, or to withdraw from the labor market temporarily or permanently, may or may not have met the requirements for fully or currently insured status at the time of leaving the covered labor force, and the maintenance or acquisition of such status will depend upon the length of time which elapses before their return. Since attainment of insured status is dependent, too, on the number of quarters in which wage credits were obtained and the amount of taxable wages received in each such quarter, many others among those with 1941 wage credits had had too brief or tenuous coverage under the program to qualify for benefits at the close of that year. Of the workers in the United States with wage credits in 1937–41 who attained age 65 in 1941, an estimated 66 percent had insured status. The proportion varied from 44 percent in Mississippi to 74 percent in Connecticut. The rates were lowest in the agricultural States, since agricultural workers shift frequently to and from covered employment and many therefore do not have sufficient continuity or amount of earnings in covered employment to fulfill the requirements for insured status.

Benefits and Beneficiaries

There are several indexes of the extent to which covered workers and their families have benefited from the protection of the old-age and survivors insurance program. Board reports indicate periodically the number and amount of benefits in force, indicating gradually mounting benefit rolls. Payments certified during the year measure the amounts paid out to beneficiaries in current-payment status or to recipients of lump-sum payments and include retroactive payments, while data on awards show the types, number, and amounts of benefits which have been allowed during a period for current or future payment.

Benefits in force.—As of the close of the fiscal year 1941–42, monthly benefits under the old-age and survivors insurance program were in force for nearly 596,000 beneficiaries, an increase of 60.0 percent over the 372,000 at the end of June 1941. The monthly amount of benefits in force was $10.8 million in June 1942 as compared with $6.8 million a year earlier, an increase of 58.9 percent. These figures include benefits in deferred and conditional-payment status as well as those paid currently. In June 1942, nearly 530,000 persons received $9.6 million currently in monthly benefit payments; these figures were, respectively, 57.6 and 56.8 percent higher than in the previous June. In June

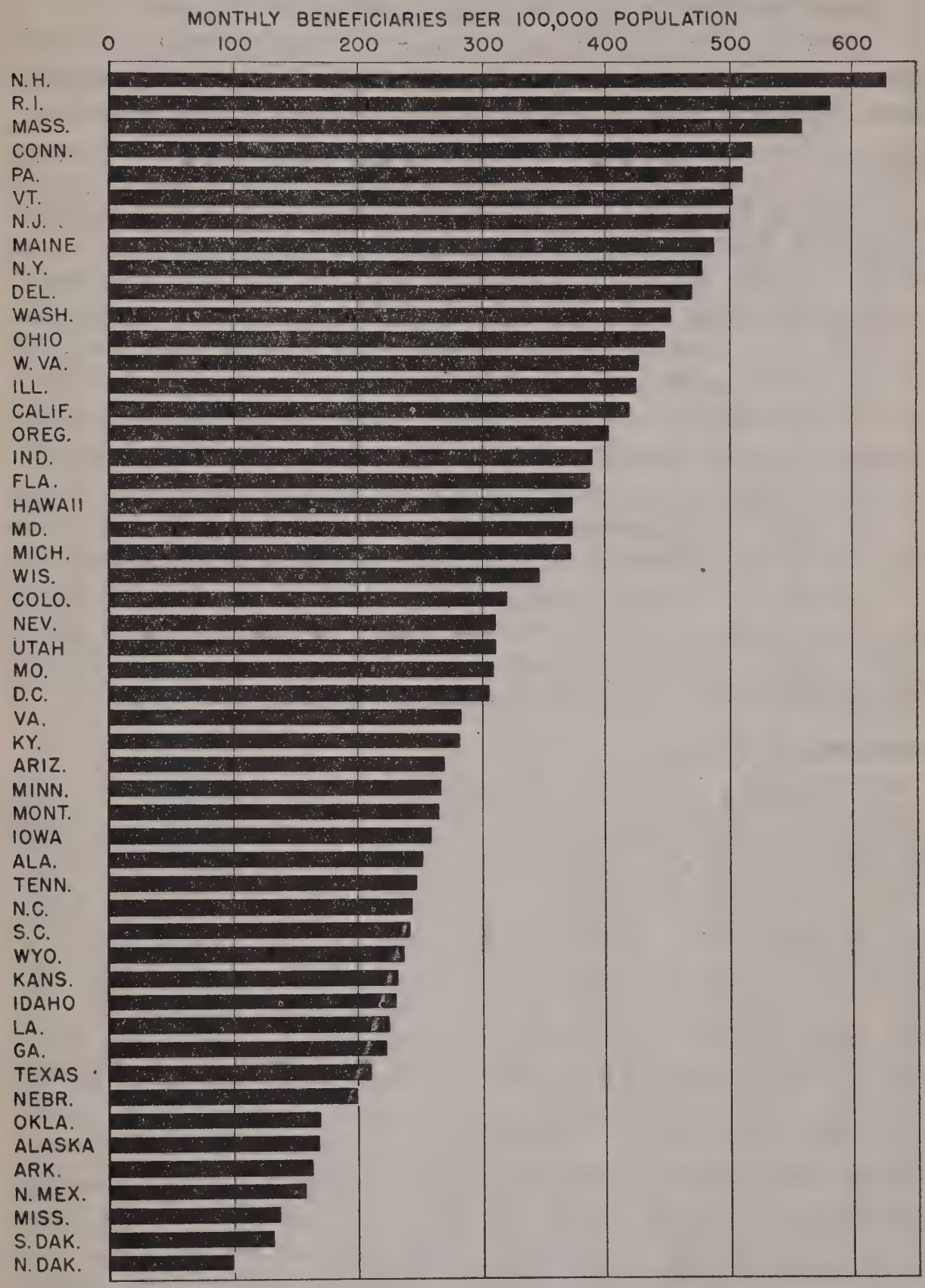
1942, the average primary benefit in current-payment status for retired workers aged 65 or over was $22.87; benefits to the aged wife of a primary beneficiary averaged $12.19. For the other types of benefits, the June averages were: benefits to a child, $12.21; to a widow aged 65 years or over, $20.17; to a widow with a young child or children of the deceased insured worker in her care, $19.53; and to a dependent parent aged 65 or over, $12.99.

No count can be made of the large group of persons aged 65 and over who have remained at work instead of applying for the retirement benefits for which they are eligible; this number is estimated at some 540,000 as of the end of the fiscal year. Among the individuals already on the benefit rolls, the effect of the war can be seen in the number who are not receiving current payments because of work in covered employment; benefits are not payable for any month in which the beneficiary, or the person with respect to whose wages benefits are payable, renders services for wages of $15 or more in such employment. As of June 30, 1942, payments were suspended for 29,000 primary beneficiaries who had returned to covered jobs; in addition, 6,000 wife's benefits, 72 widow's benefits, 6,121 widow's current benefits, 6,436 child's benefits, and 7 parent's benefits were in suspension status because of the employment of the beneficiary or the primary beneficiary on whose wage record the benefits were based.

Payments certified.—Payments certified during the fiscal year amounted to $116.5 million, 66.0 percent more than in 1940–41. Half this sum represented primary benefits, and 9.0 percent constituted benefits to aged wives and young children of retired workers. Nearly three-tenths of the amount was certified for survivor benefits, most of which went to widows with young children. The remainder of 12.2 percent represented lump-sum payments certified on behalf of deceased insured workers who died after December 31, 1939, and left no survivor entitled to monthly benefits for the month in which the death occurred, and death payments on behalf of 2,589 workers who died before January 1, 1940, when provisions for monthly survivor benefits became effective.

Benefits awarded.—In the calendar year 1941, awards of initial entitlement were made to 29,700 widows with one or more children at an average monthly amount of $40.57 per family; these beneficiaries represented 18.2 percent of all family units receiving awards and 26.0 percent of the monthly amounts awarded. Benefit awards to persons aged 65 and over accounted for 60.6 percent of the beneficiaries and 68.5 percent of the monthly benefit amounts awarded. Children under 18 represented 28.1 percent of the beneficiaries and 19.2 percent of the benefits awarded. Child's benefits were about evenly divided between girls and boys. Three-fourths of the parent's benefits were

Chart 2.—*Old-age and survivors insurance: Persons on monthly benefit rolls, December 31, 1941, per 100,000 population, in each State* [1]



[1] See also table 9. Represents all persons on monthly benefit rolls, regardless of payment status of benefits. Total population as of Apr. 1, 1940 (Alaska as of Oct. 1, 1939).

awarded to aged mothers. Nonwhite beneficiaries accounted for only 6.2 percent of those whose monthly benefits were awarded in 1941, and these beneficiaries received only 4.3 percent of the monthly benefits awarded. The number and amount of awards exceed new payments certified during the year because the former include, and the latter exclude, payments in deferred or conditional-payment status.

Appeals

The Social Security Act provides for appeals by claimants who are dissatisfied with the Board's determination of their wage credits or benefits. At the beginning of the fiscal year, 150 cases had been heard on which decisions had not yet been rendered, and 155 requests for hearings were pending before referees; 945 appeals were received during the 12-month period ended June 30, 1942. Of the total, final decisions on 885 appeals were handed down by the referees or the Appeals Council; decision was pending on 183 cases which had been heard; 99 appeals were still pending for hearings before referees; 80 were dismissed, the majority at the request of the claimant; and 3 were denied for failure to meet the requirements entitling appellants to hearings. Previous Bureau determinations were changed in 45 percent of the cases decided, usually because new evidence was introduced. The issues involved in the majority of cases related to family relationship, wages, and employment relationship.

Financing the Program

Contributions under the Federal Insurance Contributions Act amounted to $895.6 million in the fiscal year and were appropriated directly to the old-age and survivors insurance trust fund. These collections exceeded contributions appropriated for the previous fiscal year by 30.2 percent. Interest of $71.0 million from investments held by the trust fund increased receipts for the fiscal year to $966.6 million. Amounts paid out of the fund totaled $137.0 million. Of this sum, monthly benefit and lump-sum payments accounted for $110.3 million; these payments increased continuously throughout the period and totaled 71.4 percent more than in the preceding fiscal year. About $26.8 million was reimbursed to the general fund of the Treasury for expenditures incurred by the Social Security Board and the Treasury Department in administering the act. This expenditure was about 0.3 percent less than in 1940–41. Total assets of the fund rose 34.6 percent from June 30, 1941, to $3,227 million on June 30, 1942, and on the latter date consisted of $3,202 million in Treasury notes and bonds, $20.4 million in cash with the disbursing officer, and $5.2 million to the credit of the fund account.

For the first time since the fund was established, investments were made in February and May of 1942 in publicly offered Treasury bonds

bearing 2½-percent interest and maturing in 1962 or later. Until February 1942, only special Treasury notes issued exclusively to the fund and with approximately 5-year maturity had been held. Throughout 1941–42, 3-percent special Treasury notes were redeemed to finance current disbursements. In the first 3 quarters of this year, the regular quarterly investment of new funds was made in notes with 2⅜-percent interest, and in the last quarter in notes with 2¼-percent interest. The decline in the interest rate on special obligations issued to the fund was the result of the decline in the average rate of interest on the public debt, which determines the rate at any time on special obligations issued. In addition, the amount held in 3-percent old-age reserve account notes maturing on June 30, 1942, was reinvested in 2¼-percent special trust fund notes.

Administrative Developments

Continuing services.—Progress was made during the year in analyzing and improving employee performance and speeding and simplifying operations. The cost of establishing each new wage account was reduced to 7 cents, while the annual cost of processing all wage records averaged 17 cents per wage record.

The regulations pertaining to the old-age and survivors insurance program were amended in several important respects. Services performed by an employee of a partnership composed entirely of persons related to him within the degree designated in the family-employment provision of the act are now excluded. A court order of support which has been suspended but has not expired or been vacated is now deemed to satisfy the requirement that a wife or widow must have been "living with" the wage earner to qualify for wife's or widow's benefits. The regulations were amended to permit a claimant widow to qualify if she is the mother of an insured wage earner's child or was married to the wage earner a year before his death, without requiring also that she meet the added requirements of "wife" as defined elsewhere in the law. If a beneficiary dies before applicable penalty deductions are made from his benefit, recovery is no longer attempted from his estate, nor are the penalty deductions to be applied against benefits payable to other beneficiaries whose claims are based on the same wage earner's wage record. The difficulty experienced by some claimants in obtaining certified copies of various types of records of age, death, and marriage from the custodians of the records was obviated by authorizing certain employees of the Board to make excerpts from the records themselves at the source. An official notice that a birth record has been established is now accepted in lieu of the record itself. The regulation was further amended so that if preferred proof of age was not readily obtainable, secondary proof could be furnished. It is no longer required

that the beneficiary be informed of his rights to reconsideration and hearing in cases in which the termination of his benefits is based on facts which he has reported.

The Board also adopted a number of other policies which did not require amendment of the regulations. Current widow's benefits are now paid in certain types of cases in which the widow and child are separated (1) because of the widow's employment, (2) because the widow or child is physically ill, or (3) because the child is away at school and cannot return for a vacation period on account of the war-accelerated school program or on account of transportation difficulties. The Board gave blanket authority to certain classes of employees to administer oaths on application forms, obviating the necessity of giving such authority separately to various individual employees. "Currently insured quarters" are now allowed in each year, to the extent that wages of $50 or more are received, also for quarters after that in which the $3,000 maximum in taxable wages is reached. The following types of wage payments were further clarified: "constructive" payment, traveling expenses, sick and disability pay, National Labor Relations Board awards, and the value of "perquisites" which go with certain types of employment in Hawaii. The coverage of employees of certain State-chartered banks was further clarified. Evidence standards for proving marital relationships, with particular reference to State laws on recognition of divorce, were established. Considerable progress was made in obtaining the aid of local social agencies in determining the proper person to receive benefits on behalf of children and incompetent adults in cases requiring social determinations. A survey of cases involving payment of monthly benefits to guardians on behalf of 7,418 minor children and incompetent adults established the soundness of the policy in regard to the selection of such payees. Especially important was the provision for greater cooperation with State agencies by permitting interchange of information among field offices and local employment and public assistance offices and the release to authorized officials of data on awards and disallowances under the old-age and survivors insurance program when such information is necessary for the proper administration of State programs.

As part of its broader responsibilities, the Board continued its studies of methods of extending coverage to excluded groups, voluntary continuation of coverage, the adequacy of benefits, administrative and other advantages of unified wage records for the old-age and survivors insurance and unemployment compensation programs, and similar questions. Of special interest is the development, for administrative analysis, of a continuous sample of wage records to enable the Board to trace the work history of individuals, their wage

credits at successive ages, the permanence or irregularity of their service in covered employment, and the relation of sex, race, occupational, and other factors to the adequacy of the provisions for survivors and for retirement.

A coordination committee, on which are representatives from the Treasury Department, held conferences during the year to eliminate conflicting points of view and to harmonize rulings on tax and benefit questions arising under the old-age and survivors insurance program and also affecting the operations of the insurance programs for railroad workers and State unemployment compensations laws. The Social Security Board and the Treasury Department have issued rulings to the effect that feeder corporations which operate for profit and which pay their entire net income to a nonprofit organization, exempt from the act, no longer be granted employment-tax immunity. This reversal of position will probably bring many workers under the act. The Board ruled, in conformity with previous rulings of the Bureau of Internal Revenue and Railroad Retirement Board, that carrier and noncarrier activities of stockyad companies be segregated, if feasible, for social insurance purposes. Coverage of many railroad subsidiaries, such as bus, boat, and lumber companies, under the Social Security Act rather than the Railroad Retirement Act is indicated by a decision of the United States Circuit Court of Appeals for the Fifth Circuit,[10] which affirmed a decision of a lower court. It was held that a steamship company owned by a carrier but organized as a common carrier by water did not perform any service in connection with transporting passengers or property of the railroad and hence was not subject to the Carriers Taxing Act.

Emergency services.—The Federal system has provided a mechanism for administering emergency benefits under the civilian war relief system, described earlier, to meet the immediate needs of wives, widows, children, and dependent parents, in the United States, of civilians who were killed, disabled, missing, or detained as a result of enemy action outside the continental United States.

Many persons who have entered the armed services and are already in combat areas have wage credits under the old-age and survivors insurance program which would entitle their survivors to benefits in the event of their death. Arrangements have been made whereby the Army, Navy, Marine Corps, and Coast Guard transmit notices of death to the Board in order that prompt service may be given to relatives who may be eligible for survivor benefits or lump-sum payments under the Social Security Act. Sinkings of merchant vessels during the year produced a sharply increasing number of "missing seamen" cases, with the attendant need for a working arrangement with the Coast Guard

[10] *Allen* v. *Ocean Steamship Co. of Savannah,* 123 F. (2d) 469 (C. C. A. 5th, 1941).

to supply the Board with casualty lists, and for the Board to evolve sound criteria for presuming the death of such seamen. Arrangements with the Coast Guard were completed, and the formulation of presumptive standards was undertaken before the end of the fiscal year.

Because of unavoidable delays in communication between Hawaii and the continent, benefits for persons residing in the Territory are certified 30 days in advance of the date at which they are payable. Tentative arrangements have also been made, in collaboration with the Treasury Department, to transfer payment records to a control office in Hawaii to prevent delay in payments should contact with the mainland be interrupted.

Intensive study of procedures for decentralizing most operations of the old-age and survivors insurance program has made it possible to adjust administrative processes to shortages in housing, transportation, and office space in Washington. Responsibilities for verifying wage records and adjudicating claims were transferred, first to selected test offices and later to all field offices. Beginning in June 1942, offices of the Bureau of Old-Age and Survivors Insurance were moved out of Washington. Headquarters are established in Baltimore, where wage records have been maintained since the beginning of operations. Area offices for review of claims developed and adjudicated by field offices, control of claims, and certification of payment had been opened in Philadelphia and New York by July 1, 1942; opening of similar offices was scheduled for August 1 in Chicago, and for September 1 in San Francisco and New Orleans. These area offices will function as relatively self-sufficient units under the general supervision of the central office in Baltimore, which prescribes uniform policies and procedures.

Public Assistance

In the fiscal year 1941–42, payments under the special types of public assistance constituted 39.9 percent of all public aid in the continental United States, the largest proportion since the establishment of the social security program. As in the previous fiscal year, sharp declines in payments characterized all other assistance programs and the Federal work programs included in the series reported by the Social Security Board. Total expenditures for public aid fell 28.2 percent from $188 million in June 1941 to $135 million in June 1942. Similarly, the number of different households and persons receiving assistance and/or Federal work program earnings declined. According to estimates, about 3.7 million households containing 8.8 million persons were aided by these programs in June 1942, a decrease of 22 and 29 percent, respectively, from the previous June.

By June 30, 1942, 142 plans for public assistance approved by the Social Security Board were in operation in the continental United

States, Alaska, and Hawaii, of which 51 were for old-age assistance, 47 for aid to dependent children, and 44 for aid to the blind. These figures include the new plans approved in the second half of 1941 for aid to dependent children in Texas, Illinois, and Connecticut, and for aid to the blind in Texas.[11]

For the fiscal year 1941–42, payments from Federal, State, and local funds to the needy aged, the needy blind, and dependent children amounted to $738 million in States with plans approved under the Social Security Act, 12.2 percent more than the amount for the previous fiscal year. Of this total, old-age assistance accounted for $568 million; aid to dependent children, $155 million; and aid to the blind, $14.9 million. These amounts were, respectively, 12.6, 9.4, and 8.4 percent greater than in 1940–41.

Old-age assistance.—Federal-State payments to the needy aged have been in operation for some 4 years in all jurisdictions. As of June 1942, there were nearly 2.3 million recipients of old-age assistance under approved State plans, as compared with approximately 2.2 million a year earlier. The rate of net increase in number of recipients averaged about 10,400 a month for the fiscal year 1939–40, 16,700 a month in 1940–41, and 6,900 a month in 1941–42. In June 1942 there were approximately 240 recipients of old-age assistance per 1,000 of the population aged 65 and over; a year earlier the ratio was 237 per 1,000, and in June 1940, 218 per 1,000.

The extent to which increased family incomes, reflected in the rise in wages and other income payments to individuals, have reduced the number of needy aged persons in the country as a whole cannot be measured directly, since States vary widely in their definitions of need, in the relative amounts made available for assistance, and in the practice of distributing available funds among all or part of the applicants who have been approved for assistance. For the country as a whole, however, it would appear that increases in employment and wages have stemmed to some extent the volume of dependency among older persons. The number of applications for old-age assistance received by State agencies declined in successive quarters from 146,600 in July–September 1941 to 127,100 in October–December, 112,400 in January–March 1942, and 102,300 in April–June 1942. These quarterly figures, moreover, ranged from 2.6 to 38.3 percent below the number of applications received in corresponding quarters of the preceding year. During the fiscal year 1941–42, 383,802 cases of old-age assistance were opened, and 306,791 cases were closed because of the death of the recipient, improvement in his private resources, or for other reason. As compared with the previous year,

[11] A Kentucky plan for aid to the blind was approved on July 14, 1942.

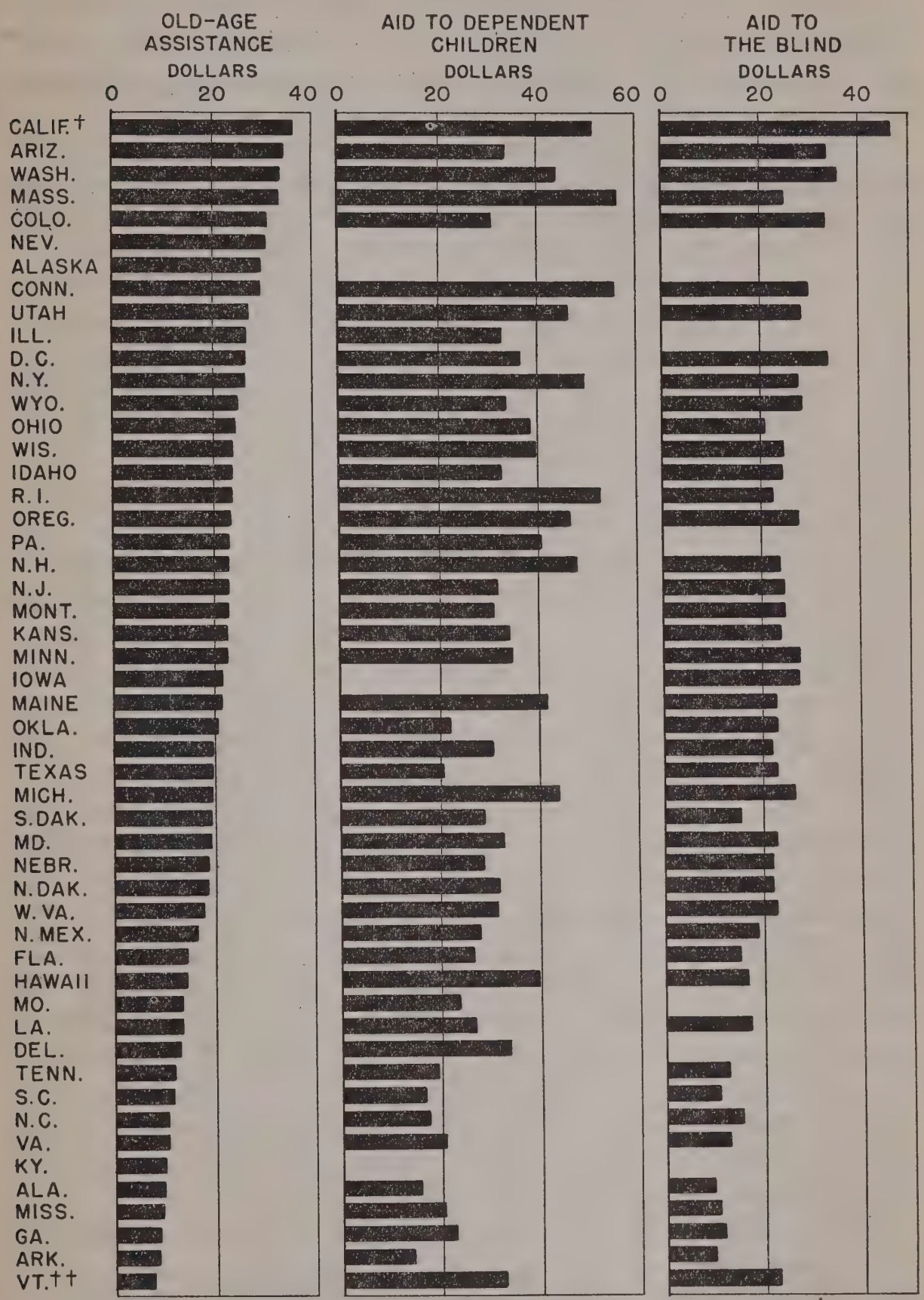
there was a decrease of 19 percent in the number of recipients added to the rolls and an increase of 9 percent in the number removed.

Since a large majority of old-age assistance recipients are 70 years of age or over, relatively few can have participated directly in the upswing in employment and wages in the fiscal year. Improvement in the financial circumstances of their sons and daughters or other relatives from whom they received partial support would be reflected, primarily, in the increase in number of cases closed and in the decline in number of new applications for assistance. Wide differences were shown among States in the net increase or decline of assistance rolls. In Georgia, Maine, Texas, and West Virginia, increases in the number of recipients in June 1942 over June 1941 ranged from 21.8 to 27.9 percent; in 27 other States, the increases were from 0.1 to 18.9 percent; decreases in the remaining 19 States ranged from less than 1.0 percent in 6, from 1.1 to 4.8 percent in 9, and from 6.0 to 7.8 percent in 4 (Pennsylvania, Hawaii, Delaware, and Maryland). Administrative factors, such as the extent to which States had previously developed programs which approached equilibrium, the availability of funds, and adjustments of standards of need in light of increased price levels, would seem to have governed the changes. Increases in costs of living create additional hardship among those who live at subsistence levels, for it is virtually impossible to reduce consumption to cut the costs of food, clothing, and shelter. Moreover, new groups of dependents may appear among aged persons who had formerly been able to make ends meet from fixed private resources which cannot be augmented to accord with higher costs of living.

Payments to recipients of old-age assistance averaged $21.83 for June 1942, 3.6 percent more than for the same month of the year preceding. Here again, a national total obscures the wide differences among States, while even a State average conceals ranges among counties and municipalities, and among individual recipients in all jurisdictions. In June 1942, for example, the average for individual States ranged from $7.09 in Vermont—where shortage of funds temporarily reduced the average from the $17.62 level in May—and $8.30 in Arkansas to $36.47 in California. While 27 States had averages of $20 or more, in 15 the average was less than $15.

From the standpoint of individuals, the assistance payment may represent either the whole income of the recipient or a supplement to meager private resources such as the ownership of a house, small income from gainful work, or partial support from relatives. The distribution of payments by amount suggests the extent to which States take account of needs in relation to the resources of recipients or tend to approach flat payments by concentrating payments at maximum or other amounts. Striking differences are apparent

Chart 3.—*Public assistance: Average payment per recipient under State plans approved by the Social Security Board, June 1942* [1]



[1] See also table 11. Data for aid to dependent children represent average per family.

† Includes aid to dependent children and aid to the blind programs administered under State law without Federal participation.

†† Shortage of funds at end of fiscal year resulted in low average old-age assistance payment for June. Average payment in May 1942 was $17.62.

among States. Distributions of assistance payments in November 1941 indicate that some States have concentrated almost all old-age assistance payments at very low levels, $15 or less, others have a large concentration at the State or Federal maximum, while in still others payments were distributed fairly evenly over the entire range of dollar amounts.

Aid to dependent children.—At the close of the fiscal year, all but four jurisdictions (Alaska, Iowa, Kentucky, and Nevada) were sharing in Federal grants for aid to dependent children under the Social Security Act. In June 1942, 943,080 children in 392,182 families received $13.3 million in assistance payments from Federal, State, and local funds in States with approved plans. The increase of 2.9 percent in number of children, 3.3 percent in number of families, and 5.9 percent in amount of payments, as compared with June 1941, resulted largely from the addition during the year of approved plans for Connecticut, Illinois, and Texas.

Before submitting their plans to the Board for approval and before requesting Federal funds, both Illinois and Connecticut had been administering plans for aid to dependent children without Federal participation. In June 1941, Illinois made payments amounting to $172,535 to 16,526 children in 7,409 families, and it is estimated that Connecticut made payments of $55,172 to 2,908 children in 1,269 families. By June 1942, Federal participation in these programs had more than quadrupled the amount of payments and more than tripled the number of recipients in Illinois. In Connecticut, the amount of payments had increased by 74.0 percent; the number of children, by 52.0 percent; and the number of families aided, by 35.9 percent. The Texas program, under which initial Federal-State payments were made for October 1941, had formerly been administered on a voluntary county basis; with the availability of Federal funds, the number of children aided had increased from 169 in September 1941 to 31,607 in June 1942, and amounts of monthly payments had risen from $640 to $310,584. The Mississippi program, which more than doubled in coverage and amount of payments between June 1941 and June 1942, had been approved on February 28, 1941, but administrative factors prevented expansion of case loads until the fiscal year 1941–42.

For the 43 Federal-State programs which had been in operation for longer periods, only 14 registered increases in payments and in families or children receiving aid, while 28 showed declines of 0.1 to 26.8 percent in number of families aided and 20 showed decreases in amount of payments. The average net increases of 1,048 families and 2,191 children a month under all Federal-State programs com-

bined resulted entirely from expansion of new programs, for declines more than offset increases in other States.

The total number of applications received during the year in all participating States did not show the decline in each quarter of the year noted for old-age assistance. If programs of Connecticut, Illinois, and Texas are omitted, however, the decrease in number of families requesting aid and in number of applications approved for assistance gives similar evidence of diminishing dependency even among families with young children who, by definition, have lost the support of one or both parents. Whether, in the long run, the needs of such children are better served by the gainful employment of a widowed mother, for example, depends upon many factors.

Changes in the recipient rolls from the end of the preceding fiscal year cannot be quantitatively related to increased employment and wages but have nevertheless been affected by these factors. The District of Columbia, Florida, Maine, New Hampshire, New Mexico, South Dakota, Vermont, and West Virginia reported increases ranging from 15 to 35 percent in the number of families aided, while decreases of 10 percent or more occurred in Arizona, California, Delaware, Hawaii, Indiana, Maryland, New Jersey, New York, Pennsylvania, Utah, and Wisconsin. In June 1942, children aided under the Federal-State program for aid to dependent children represented 23.3 per 1,000 children in the total United States population under 18 years of age; a year earlier, the rate was 22.7 per 1,000.

The average payment per family under approved plans for aid to dependent children was $34.01 in June 1942, less than $1 above that for June 1941. In 23 States, increases of $1 or more were recorded; in 19 States, changes were negligible; and in 2, declines of $1 or more were shown. The average payment per family in June 1942 was highest in Massachusetts ($56.12) and lowest in Arkansas ($14.32); intervening States were distributed as follows: 11 States with $40 or more, 19 States with $30.00–39.99, 11 States with $20.00–29.99; and 4 with less than $20. Within these averages, of course, are wide differences in the amounts of individual payments. The distribution of payments by amount in November 1941 shows tendencies to concentrate at or below the maximum Federal matching level in all but a few States. Notable exceptions are the States with no State maximums, among which from 0.1 to 15 percent of the payments were for $80 or more.

The decline in general relief was even more striking than that for aid to dependent children. Among the 48 jurisdictions in the continental United States reporting comparable data, only Arkansas, Nevada, and South Carolina showed increases in the number of general

assistance cases; decreases in other States ranged from 4.1 percent in Alabama to 60.7 percent in Pennsylvania. Since many States had cared for some families under this State-local relief program despite the fact that a number of such families were eligible for aid to dependent children, it is probable that some State increases in the number of families receiving aid to dependent children resulted from transfers from general assistance.

Aid to the blind.—The addition of a Federal-State program for the blind in Texas accounted for most of the 9.2-percent increase from 49,817 recipients of aid to the blind in June 1941 to 54,378 in June 1942. The net increase in the number of recipients in the fiscal year 1941–42 averaged 380 per month, compared with 190 in 1940–41 and 247 in 1939–40. The ratio of persons receiving this type of assistance rose from 48 per 100,000 population in the United States in June 1940 to 49 in June 1941 and 51 in June 1942.

The States varied widely in the net change in number of recipients during the fiscal year. Of the 41 States which had approved plans and as many as 100 recipients in June of both years, increases in 24 States from June 1941 to June 1942 varied from 0.2 percent in Oregon to 29.0 percent in Georgia, while decreases in 17 States ranged from 0.5 percent in Indiana to 38.4 percent in North Dakota. The greater opportunity for blind persons to obtain training and jobs probably accounts partially for the declines in some States, and in other States for the smaller rates of increase. An additional factor may be the larger amount of assistance such persons have received from relatives.

The average payment in June 1942 was $24.37, 3.0 percent more than in June 1941. Payments among the States ranged from $9.63 in Arkansas to $46.87 in California; for 32 States, the average was between $15 and $30. As in the two other Federal-State programs for public assistance, there is a pronounced tendency for States to concentrate payments at or below the maximum for Federal sharing. In only 1 State were 25 percent or more of the payments in November 1941 above $40; in 11 States, 80 percent or more of the payments were less than $20.

Financing the Programs

In the fiscal year 1941–42, $786.5 million was expended from Federal, State, and local funds for special types of public assistance under approved Federal-State plans, including the costs of administering the programs. This sum, which was $83.9 million or 11.9 percent more than the amount spent in the preceding 12-month period, was distributed as follows: 76.6 percent for old-age assistance, 21.3 percent for aid to dependent children, and 2.1 percent for aid to the blind.

The increase over the previous year was greater for old-age assistance than for either of the other two programs, despite the fact that three States initiated approved plans for aid to dependent children during the fiscal year 1941–42 and one State a plan for aid to the blind.

Administrative expenses for the three programs totaled $48.6 million, of which Federal funds represented $21.0 million or 43.2 percent. The Federal Government paid 40.8 percent of administrative costs for old-age assistance, 48.8 percent for aid to dependent children, and 48.3 percent for aid to the blind, in States with plans approved by the Social Security Board. Under the provisions of the Social Security Act, the Federal Government pays half the amounts expended by States and localities for administrative costs of the programs for aid to dependent children and aid to the blind. Under the old-age assistance program, however, the amount granted for assistance payments is increased by 5 percent, the addendum to be used for assistance and/or administration. As a result, Federal funds represent less than one-fifth of administrative costs for old-age assistance in some States and more than four-fifths in others.

The Federal share of assistance payments also varies among the programs. The Federal Government bore 49.7 percent of the expenditures for old-age assistance in the fiscal year 1941–42; of expenditures under approved State plans, the Federal share represented 47.7 percent for aid to the blind and only 40.5 percent for aid to dependent children. The State shares for these three programs were 41.4, 41.5, and 35.4 percent, respectively, and the residual 8.9, 18.0, and 16.9 percents were borne by local governments.

The preceding discussion of financial responsibility for meeting assistance needs omits data for State programs administered without Federal participation. Of the total $969.3 million expended in the continental United States in the fiscal year 1941–42 for all payments to recipients of the special types of public assistance and general relief, 36.4 percent came from Federal funds, 43.4 percent from State funds, and 20.2 percent from local funds. Federal funds for assistance were distributed as follows: 80.2 percent for old-age assistance, 17.8 percent for aid to dependent children, and 2.0 percent for aid to the blind. State assistance funds were also concentrated on old-age assistance (55.9 percent), with 15.3 percent for aid to dependent children, 3.0 percent for aid to the blind, and 25.8 percent for general relief. By far the largest share of local funds went for general relief (56.6 percent), with 26.0 percent expended for old-age assistance, 15.4 percent for aid to dependent children, and 2.0 percent for aid to the blind.

Under approved plans, the share of Federal funds is determined by the State's allocation of its available funds to one type of public assist-

ance as contrasted with another. The limitation of Federal participation to special types of assistance makes it wholly a State or local responsibility to provide for needs among disabled persons, among families with unemployed members, and among needy persons who fail to meet age, residence, or other requirements imposed by Federal and State laws for special types of public assistance. Another important reason for disparity in the distribution of Federal funds among the various types of assistance programs derives from the relatively low Federal matching maximum for aid to dependent children and the large volume of State payments exceeding this maximum. Because pressures for efforts to relieve the plight of the aged have tended to preempt State funds for that program, matching Federal grants have been larger for old-age assistance than for the two other special types of assistance. Moreover, variations in fiscal resources of the States and in their allocations of available funds to be matched by the Federal Government have resulted in the fact that 53 percent of these Federal funds certified in 1941–42 were made available to 10 of the most highly industrialized States, most of which were in upper brackets of per capita income. These States contained 48 percent of the total 1940 population of the continental United States and Territories.

Federal grants certified for public assistance payments and administration in the fiscal year amounted to $374.7 million; grants to individual States represented a range from 58 cents per inhabitant in Alabama to $9.03 in Colorado. Of these grants, which were $44.7 million or 13.6 percent above those for the preceding year, $297.4 million or 79.4 percent was for old-age assistance; $69.4 million or 18.5 percent, for aid to dependent children; and $7.9 million or 2.1 percent, for aid to the blind. The fact that three (Illinois, Missouri, and Pennsylvania) of the four largest programs for aid to the blind are administered by States without Federal participation under the Social Security Act is an additional factor to account for the small proportion of Federal funds used for that program.

Administrative Developments

Continuing activities.—The Board continued throughout the fiscal year to provide consultation services to the States concerning assistance and administrative problems, many of which arose out of the war emergency. Responsibilities for Federal aspects of public assistance entail not only approval of an original State plan and subsequent modifications as meeting the requirements of the act but also periodic review of the plan's administration and continuing certification of grants for its operation.

The approval of new plans for aid to dependent children in Connecticut, Illinois, and Texas, and for aid to the blind in Texas, brought to 44 the number of States with all three special types of public assistance in operation on a Federal-State basis at the end of the fiscal year. Texas plans for aid to dependent children and aid to the blind were approved on September 26, 1941; the Illinois plan for aid to dependent children was approved on October 28, 1941, and the Connecticut plan on December 24, 1941.

The administrative review of public assistance agencies, initiated in October 1940, included all States by the end of the fiscal year. To aid the States in their reports and analyses of administrative costs of public assistance and to standardize the basis for Federal sharing in such costs, the Board has prepared, in collaboration with the American Public Welfare Association, a detailed classification of administrative functions. Studies of indexes of State financial capacity continued during the year, with special reference to methods of adjusting Federal grants to relative economic needs.

Services in the war emergency.—Shortly after war was declared, the Board, pending the formal establishment of a Federal program for civilian war relief, established the broadest policy possible under existing authority with respect to sharing administrative costs of State public assistance agencies in rendering services under these temporary assistance programs. As a result of the war, also, the Board's traditional policy on the confidential nature of State public assistance records was broadened, and State agencies were advised that selected information from such records could be released to authorized governmental agencies for recognized war-related purposes. Earlier in the year the Board had suggested to the States that they were in a position to protect public assistance information against use for general law enforcement, since the Department of Justice had accepted this policy regarding the use of such information from Board records. The Board recommended, furthermore, that in extending services to the selective service boards, public assistance agencies release information obtained from old-age and survivors insurance records on the same basis as information from other sources.

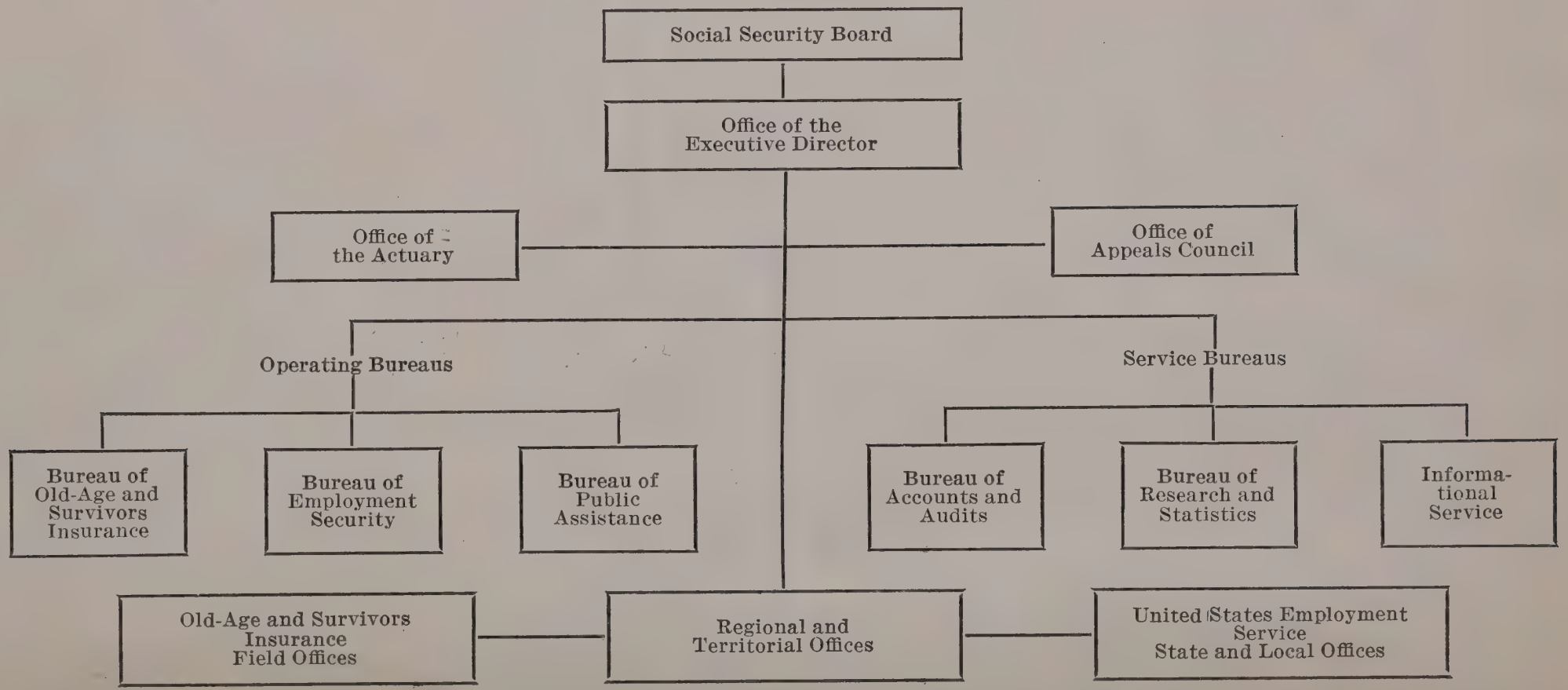
The emergency assistance to civilians financed from funds allocated to the Federal Security Administrator from the President's emergency fund has been described earlier. Representatives of the Social Security Board in central and regional offices have worked in close cooperation with State public assistance agencies and with other governmental and quasi-governmental welfare organizations to reduce the economic hardships which have resulted from civilian deaths and injuries in the islands of the Pacific and from the evacuation of individuals and fam-

ilies from shores under threat of enemy attack, from restricted military areas, and from foreign countries. Special studies have been made to determine the volume and geographic distribution of war-connected welfare problems as a basis for future planning. An interagency draft manual on evacuation and relocation of civilians was prepared. Conferences were held with the Office of Defense Health and Welfare Services on problems relating to cooperation of public assistance agencies with selective service boards and on the proper channels for communicating with men in the armed forces to establish continued absence from home of a parent in military service.

Labor stringency, particularly in agricultural areas, gave rise to the need to clarify for the States the Board's position with regard to employment of public assistance recipients. In a letter to State agencies, the Board called attention to the fact that sound methods of determining the need of applicants and recipients did not preclude payments to persons who receive small incomes from employment and that persons who earned an amount insufficient for self-support might still be found in need of assistance. In determining need, the Board pointed out, recognition should be given to the additional requirements for clothing, food, and transportation among employed persons, as contrasted with those who are outside the labor force. Earnings of assistance recipients might well require supplementation in view of the added costs of gainful work. State agencies were assured that they might encourage such recipients to seek employment with the knowledge that their temporary earnings would be considered as part of their available resources against which their current needs would be measured, and that, although their assistance might temporarily be reduced or suspended, there would be no delay in the restoration of the appropriate levels of payments if such earnings diminished or ceased.

APPENDIX

Bureaus and Offices of the Social Security Board, as of July 1, 1942


Social Security Board
Office of the Executive Director
Office of the Actuary
Office of Appeals Council
Operating Bureaus
Service Bureaus
Bureau of Old-Age and Survivors Insurance
Bureau of Employment Security
Bureau of Public Assistance
Bureau of Accounts and Audits
Bureau of Research and Statistics
Informational Service
Old-Age and Survivors Insurance Field Offices
Regional and Territorial Offices
United States Employment Service State and Local Offices

Regional and Territorial Offices of the Social Security Board, as of October 1, 1942

Region

I. Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. Regional director: John F. Hardy, Social Security Board, 120 Boylston Street, Boston, Mass.

II. New York. Regional director: Peter Kasius, Social Security Board, 11 West 42d Street, New York, N. Y.

III. Delaware, New Jersey, Pennsylvania. Regional director: William L. Dill, Social Security Board, Juniper and Chestnut Streets, Philadelphia, Pa.

IV. District of Columbia, Maryland, North Carolina, Virginia, West Virginia. Regional director: Lavinia Engle, Social Security Board, Arlington Building, 1025 Vermont Avenue, Washington, D. C.

V. Kentucky, Michigan, Ohio. Regional director: Mary E. Woods, Social Security Board, Euclid Avenue and East Ninth Street, Cleveland, Ohio.

VI. Illinois, Indiana, Wisconsin. Regional director: Henry L. McCarthy, Social Security Board, Bankers Building, 105 West Adams Street, Chicago, Ill.

VII. Alabama, Florida, Georgia, Mississippi, South Carolina, Tennessee. Regional director: Richard H. Lyle, Social Security Board, 441 West Peachtree Street, Atlanta, Ga.

Region

VIII. Iowa, Minnesota, Nebraska, North Dakota, South Dakota. Regional director: Fred M. Wilcox, Social Security Board, Midland Bank Building, Fourth Street and Second Avenue, Minneapolis, Minn.

IX. Arkansas, Kansas, Missouri, Oklahoma. Regional director: John E. Wrenn, Social Security Board, 1006 Grand Avenue, Kansas City, Mo.

X. Louisiana, New Mexico, Texas. Regional director: James B. Marley, Social Security Board, North Presa and East Houston Streets, San Antonio, Tex.

XI. Arizona, Colorado, Idaho, Montana, Utah, Wyoming. Regional director: Heber R. Harper, Social Security Board, 728 17th Street, Denver, Colo.

XII. California, Nevada, Oregon, Washington. Regional director: Richard M. Neustadt, Social Security Board, 785 Market Street, San Francisco, Calif.

Alaska. Territorial director: Hugh J. Wade, Social Security Board, Territorial Building, Juneau, Alaska

Hawaii. Territorial director: Robert W. Beasley, Social Security Board, 425 Dillingham Building, Honolulu, T. H.

Area Offices of the Social Security Board

Location	*Date of opening*
New York: 155 West 44th Street, New York	July 1, 1942
Pennsylvania: 121 Broad Street, Philadelphia	June 1, 1942
Illinois: 188 West Randolph Street, Chicago	August 1, 1942
Louisiana: 829 Saint Charles Street, New Orleans	September 1, 1942
California: 22 Battery Street, San Francisco	September 1, 1942

Field Offices of the Social Security Board, by Region and State, as of June 30, 1942

REGION I

Connecticut: Bridgeport, Hartford, Meriden, New Britain, New Haven, New London, Stamford, Torrington, Waterbury, Willimantic.

Maine: Augusta, Bangor, Lewiston, Portland.

Massachusetts: Attleboro, Boston (2), Brockton, Cambridge, Chelsea, Fall River, Fitchburg, Haverhill, Holyoke, Lawrence, Lowell, Lynn, Malden, New Bedford, Pittsfield, Quincy, Salem, Springfield, Waltham, Worcester.

New Hampshire: Concord, Littleton, Manchester, Nashua, Portsmouth.

Rhode Island: Newport, Pawtucket, Providence, Woonsocket.

Vermont: Burlington, Montpelier, Rutland.

REGION II

New York: Albany, Auburn, Binghamton, Buffalo, Elmira, Glens Falls, Gloversville, Ithaca, Jamestown, Kingston, Newburgh, New Rochelle, New York City (Manhattan, 4;[1] Bronx, 2; Brooklyn, 2; Jamaica; Long Island City; Staten Island), Niagara Falls, Ogdensburg, Oswego, Plattsburg, Poughkeepsie, Rochester, Schenectady, Syracuse, Troy, Utica, Watertown, Yonkers.

REGION III

Delaware: Wilmington.

New Jersey: Atlantic City, Bayonne, Bridgeton, Camden, Elizabeth, Jersey City, Newark, Passaic, Paterson, Perth Amboy, Trenton.

Pennsylvania: Allentown, Altoona, Ambridge, Chester, Du Bois, Easton, Erie, Greensburg, Harrisburg, Hazleton, Johnstown, Lancaster, McKeesport, New Castle, New Kensington, Norristown, Oil City, Philadelphia County (Philadelphia; Germantown; Kensington), Pittsburgh, Pottsville, Reading, Scranton, Sharon, Turtle Creek, Uniontown, Wilkes-Barre, Williamsport, York.

[1] One opened during fiscal year 1941–42.

REGION IV

District of Columbia: Washington.

Maryland: Annapolis, Baltimore, Cumberland, Hagerstown, Salisbury.

North Carolina: Asheville, Charlotte, Durham, Fayetteville, Gastonia, Goldsboro, Greensboro, Hickory, High Point, Raleigh, Rocky Mount, Salisbury, Wilmington, Winston-Salem.

Virginia: Alexandria, Bristol, Danville, Lynchburg, Newport News, Norfolk, Petersburg, Richmond, Roanoke, Staunton.

West Virginia: Beckley, Bluefield, Charleston, Clarksburg, Huntington, Logan, Martinsburg, Morgantown, Parkersburg, Wheeling.

REGION V

Kentucky: Ashland, Bowling Green, Corbin,[2] Covington, Frankfort, Hazard, Lexington, Louisville, Owensboro, Paducah.

Michigan: Battle Creek, Bay City, Detroit and Wayne County (Detroit, 2; Dearborn; Highland Park), Escanaba, Flint, Grand Rapids, Jackson, Kalamazoo, Lansing, Marquette, Muskegon, Pontiac, Saginaw, Traverse City.

Ohio: Akron, Ashtabula, Canton, Cincinnati, Cleveland, Columbus, Dayton, Hamilton, Lima, Lorain, Mansfield, Marion, Nelsonville, Portsmouth, Springfield, Toledo, Warren, Youngstown, Zanesville.

REGION VI

Illinois: Aurora, Bloomington, Champaign, Chicago and Cook County (Chicago, 5; Cicero; Evanston; Harvey; Oak Park), Danville, Decatur, East Saint Louis, Galesburg, Harrisburg, Joliet, Mount Vernon, Peoria, Quincy, Rockford, Rock Island, Springfield, Waukegan.

Indiana: Anderson, Bloomington, Elkhart, Evansville, Fort Wayne, Gary, Hammond, Indianapolis, Kokomo, La Fayette, Muncie, New Albany, Richmond, South Bend, Terre Haute.

[2] Opened during fiscal year 1941–42.

Wisconsin: Eau Claire, Fond du Lac, Green Bay, Janesville, La Crosse, Madison, Milwaukee, Oshkosh, Racine, Sheboygan, Superior, Wausau.

REGION VII

Alabama: Anniston, Birmingham, Decatur, Dothan, Gadsden, Mobile, Montgomery, Tuscaloosa.

Florida: Gainesville, Jacksonville, Miami, Orlando, Pensacola, Saint Petersburg, Tallahassee, Tampa, West Palm Beach.

Georgia: Albany, Athens, Atlanta, Augusta, Columbus, La Grange, Macon, Rome, Savannah, Valdosta, Waycross.

Mississippi: Columbus, Greenwood, Gulfport, Hattiesburg, Jackson, Meridian, Tupelo, Vicksburg.

South Carolina: Anderson, Charleston, Columbia, Florence, Greenville, Greenwood, Rock Hill, Spartanburg.

Tennessee: Chattanooga, Columbia, Dyersburg, Jackson, Johnson City, Knoxville, Memphis, Nashville.

REGION VIII

Iowa: Cedar Rapids, Davenport, Des Moines, Dubuque, Fort Dodge, Ottumwa, Sioux City, Waterloo.

Minnesota: Albert Lea, Bemidji, Duluth, Minneapolis, Redwood Falls, Saint Cloud, Saint Paul, Winona.

Nebraska: Alliance, Grand Island, Lincoln, North Platte, Omaha.

North Dakota: Bismarck, Fargo, Grand Forks, Minot.

South Dakota: Aberdeen, Huron, Rapid City, Sioux Falls.

REGION IX

Arkansas: El Dorado, Fort Smith, Harrison, Hot Springs, Jonesboro, Little Rock, Pine Bluff, Texarkana.

Kansas: Atchison, Dodge City, Goodland, Hutchinson, Independence, Kansas City, Pittsburg, Salina, Topeka, Wichita.

Missouri: Cape Girardeau, Clayton, Hannibal, Jefferson City, Joplin, Kansas City, Poplar Bluff, Saint Joseph, Saint Louis (2), Sedalia, Springfield.

Oklahoma: Antlers, Ardmore, Clinton, Enid, Lawton, Muskogee, Oklahoma City, Ponca City, Shawnee, Tulsa.

REGION X

Louisiana: Alexandria, Baton Rouge, Lake Charles, Monroe, New Orleans, Shreveport.

New Mexico: Albuquerque, Roswell, Santa Fe.

Texas: Abilene, Amarillo, Austin, Beaumont, Big Spring, Brownsville, Corpus Christi, Dallas, El Paso, Fort Worth, Galveston, Houston, Laredo, Lubbock, Lufkin, Paris, San Angelo, San Antonio, Tyler, Waco, Wichita Falls.

REGION XI

Arizona: Flagstaff, Globe, Phoenix, Prescott, Tucson.

Colorado: Alamosa, Colorado Springs, Denver, Grand Junction, Greeley, Pueblo, Trinidad.

Idaho: Boise, Pocatello, Twin Falls.

Montana: Billings, Butte, Great Falls, Havre, Helena, Miles City.

Utah: Ogden, Richfield, Salt Lake City.

Wyoming: Casper, Cheyenne, Rock Springs, Sheridan.

REGION XII

California: Bakersfield, Eureka, Fresno, Los Angeles County (Glendale; Hollywood; Huntington Park; Long Beach; Los Angeles; Pasadena), Oakland, Redding, Sacramento, San Bernardino, San Diego, San Francisco, San Jose, San Mateo, Santa Barbara, Santa Rosa, Stockton.

Idaho: Lewiston.

Nevada: Las Vegas, Reno.

Oregon: Eugene, Klamath Falls, La Grande, Portland, Salem.

Washington: Aberdeen, Bellingham, Olympia, Seattle, Spokane, Tacoma, Yakima.

Territorial: Juneau, Alaska; Honolulu, T. H.

Branch Offices of the Social Security Board, by Region and State, as of June 30, 1942

REGION I

Massachusetts: Dorchester.

REGION II

Virginia: Pulaski.

REGION V

Kentucky: Harlan.

REGION VI

Indiana: East Chicago.
Wisconsin: Kenosha.

REGION XI

Colorado: Boulder.
Montana: Missoula.
Utah: Provo.

REGION XII

California: Santa Monica.

TERRITORIAL

Hawaii: Hilo.

Number of Stations of the Social Security Board With Itinerant Service, by Region and State, as of June 30, 1942

	Number
Total	1,802
REGION I	141
Connecticut	27
Maine	29
Massachusetts	44
New Hampshire	12
Rhode Island	2
Vermont	27
REGION II	104
New York	104
REGION III	103
Delaware	2
New Jersey	22
Pennsylvania	79
REGION IV	198
District of Columbia	3
Maryland	24
North Carolina	83
Virginia	56
West Virginia	32
REGION V	195
Kentucky	47
Michigan	62
Ohio	86
REGION VI	201
Illinois	70
Indiana	70
Wisconsin	61
REGION VII	269
Alabama	45
Florida	43
Georgia	54
REGION VII—Continued.	Number
Mississippi	40
South Carolina	26
Tennessee	61
REGION VIII	79
Iowa	35
Minnesota	16
Nebraska	22
North Dakota	1
South Dakota	5
REGION IX	178
Arkansas	40
Kansas	49
Missouri	41
Oklahoma	48
REGION X	159
Louisiana	21
New Mexico	9
Texas	129
REGION XI	70
Arizona	21
Colorado	23
Idaho	9
Montana	5
Utah	7
Wyoming	5
REGION XII	79
California	62
Oregon	8
Washington	9
TERRITORIAL	26
Hawaii	26

Table 1.—*Personnel of the Social Security Board, by departmental and field service, as of June 30, 1936–42*

Office and bureau	Total	Departmental	Field
Total, June 30:			
1936	736	634	102
1937	5,748	3,313	2,435
1938	9,612	5,202	4,410
1939	9,661	5,557	4,104
1940	12,164	7,286	4,878
1941	12,682	8,066	4,616
1942	13,297	8,247	5,050
1942			
Office of the Board	18	17	1
Office of the Actuary	18	18	
Office of Appeals Council	34	13	21
Office of the Executive Director	754	742	12
Regional offices	520		520
Bureau of Employment Security [1]	1,385	1,047	338
Bureau of Old-Age and Survivors Insurance	9,752	5,848	3,904
Bureau of Public Assistance	301	209	92
Bureau of Research and Statistics	120	92	28
Bureau of Accounts and Audits	334	217	117
Informational Service	61	44	17

[1] Includes employees in the District of Columbia employment office but excludes 22,391 permanent and temporary employees in the U. S. Employment Service offices in the States.

Table 2.—*Administrative expenditures of the Social Security Board, fiscal year 1941–42* [1]

Administrative expenditures, total		$28,198,184
General expenses		[2] 3,949,475
Stationery and office supplies	$519,721	
Printed forms	255,985	
Printing and binding (other than printed forms)	552,384	
Furniture and equipment	424,108	
Storage and care of vehicles	440	
Rental of office space	677,648	
Rental of equipment	956,428	
Heat, light, power, and water	55,775	
Repairs and alterations	27,032	
Telegraph	24,756	
Telephone	269,230	
Other communication services	31,815	
Freight and express charges	61,657	
Advertising and publication of notices	256	
Special and miscellaneous current expenses	92,240	
Salaries and travel		24,248,709

	Salaries	*Travel*
Total	$22,707,354	$1,541,355
Office of the Board	67,535	1,926
Office of the Actuary	60,132	928
Office of Appeals Council	108,560	20,589
Office of the Executive Director	1,080,866	50,522
Regional Offices	793,424	20,453
Bureau of Employment Security	2,779,158	486,344
Bureau of Old-Age and Survivors Insurance	[3] 15,838,323	712,256
Bureau of Public Assistance	876,423	111,872
Bureau of Research and Statistics	253,353	5,229
Bureau of Accounts and Audits	651,164	106,941
Informational Service	198,416	24,295

[1] Represents expenditures of the Social Security Board from both regular and defense appropriations and thus differs from expenditures in table 7 which exclude expenditures from defense appropriations.

[2] Excludes operating and maintenance expenses (guard, elevator, and cleaning services), and rental of office space in District of Columbia. Beginning July 1941, these expenditures were assumed by the Public Buildings Administration.

[3] Includes salaries of Administrative Personnel Division of Bureau of Old-Age and Survivors Insurance, which was transferred from the Office of the Administrator to the Social Security Board, effective Apr. 1, 1942.

Table 3.—*Old-age and survivors insurance trust fund and unemployment trust fund: Financial operations, by fiscal years 1936–37—1941–42, and by month, fiscal year 1941–42*

[In millions [1]]

Period	Old-age and survivors insurance trust fund					Unemployment trust fund [4]						
	Receipts		Expenditures		Balance, end of period	Receipts		Expenditures		Balance, end of period		
	Appropriations [2]	Interest	Benefit payments [3]	Administrative expenses		State accounts	Railroad account [5]	State accounts [6]	Railroad account [5]	Total	State accounts	Railroad account [5]
Cumulative through June 1942	$3,289	$214	$210	$66	$3,227	[7] $4,908	$308	$2,024	$41	$3,150	[7] $2,884	$266
Fiscal year:												
1936–37	265	2	(8)		267	294		1		312	312	
1937–38	500	15	5		777	763		191		884	884	
1938–39	390	27	14		1,180	838		442		1,281	1,281	
1939–40	550	42	16	12	1,745	897	46	485	15	1,725	1,693	32
1940–41	688	56	64	27	2,398	938	176	537	18	2,284	2,094	190
1941–42	896	71	110	27	3,227	1,158	86	368	9	3,150	2,884	266
1941												
July	45	(8)	7	2	2,433	78	4	28	(8)	2,337	2,143	194
August	160	(8)	8	2	2,582	176	1	25	(8)	2,488	2,294	194
September	3	(8)	8	2	2,575	8	16	24	1	2,488	2,278	209
October	46	(8)	8	2	2,611	74	(7)	19	1	2,541	2,333	209
November	168	(8)	8	2	2,769	191	1	20	1	2,713	2,504	209
December	4	(8)	9	2	2,762	41	20	28	1	2,744	2,516	228
1942												
January	39	(8)	9	2	2,789	75	(8)	43	1	2,775	2,549	227
February	181	(8)	10	2	2,959	202	1	37	1	2,940	2,714	226
March	3	(8)	10	2	2,950	9	20	45	1	2,923	2,678	245
April	39	(8)	10	2	2,977	43	(8)	37	1	2,928	2,684	244
May	204	(8)	11	2	3,168	219	1	33	1	3,115	2,871	244
June	4	69	11	2	3,227	42	22	29	(7)	3,150	2,884	266

[1] Totals represent sums of unrounded figures; therefore may differ slig tly from sums of rounded figures.

[2] Beginning July 1940, trust fund appropriations equal taxes collected nder the Federal Insurance Contributions Act.

[3] Based on checks cashed and returned to the Treasury.

[4] See table 4, footnote 1. Data based on checks cashed; differ slightly from those of table 6 which are compiled at a different stage in accounting process.

[5] Represents separate book account for railroad unemployment insurance account, in which are held moneys deposited by the Railroad Retirement Board, transfers from State accounts, and transfers from railroad unemployment insurance administration fund.

[6] Includes amounts transferred in 1939–40 and 1940–41 to railroad unemployment insurance account.

[7] Includes operations for 1935–36 not shown separately in this table.

[8] Less than $500,000.

Source: Compiled from data in the Daily Statement of the U. S. Treasury.

Table 4.—*Unemployment trust fund:*[1] *Deposits, interest, and withdrawals, by State, fiscal year 1941–42*

[In thousands[2]]

Account	Balance, June 30, 1941	Deposits	Interest	Withdrawals for benefit payments	Balance, June 30, 1942
Total	$2,278,573	$1,175,878	$67,518	$377,948	$3,144,021
State accounts, total	2,091,318	1,095,694	62,086	368,198	2,880,900
Alabama	21,347	12,332	641	3,040	31,280
Alaska	1,225	1,165	42	230	2,202
Arizona	3,830	2,812	121	779	5,984
Arkansas	6,928	4,947	212	1,355	10,733
California	165,948	102,679	4,978	47,100	226,505
Colorado	10,906	5,245	326	1,293	15,184
Connecticut	53,582	23,953	1,605	3,025	76,116
Delaware	7,932	2,554	228	565	10,149
District of Columbia	21,583	7,558	611	1,545	28,207
Florida	14,319	8,325	369	6,350	16,664
Georgia	25,348	12,805	769	4,200	34,723
Hawaii	7,650	2,173	216	185	9,854
Idaho	2,492	2,444	84	985	4,035
Illinois	212,603	89,963	6,097	33,400	275,263
Indiana	53,994	28,675	1,629	10,600	73,698
Iowa	18,851	9,283	561	2,375	26,320
Kansas	15,563	5,076	423	2,420	18,642
Kentucky	34,272	13,399	994	2,770	45,895
Louisiana	19,338	10,927	523	7,475	23,313
Maine	5,301	6,095	193	1,335	10,254
Maryland	26,386	19,535	855	4,950	41,825
Massachusetts	90,045	45,210	2,686	14,400	123,541
Michigan	96,559	67,253	2,942	43,700	123,053
Minnesota	24,179	11,973	686	6,485	30,353
Mississippi	4,741	4,023	145	2,075	6,834
Missouri	67,274	26,130	1,928	7,950	87,382
Montana	4,839	3,086	142	1,635	6,432
Nebraska	9,529	2,010	251	1,200	10,590
Nevada	1,035	1,400	37	435	2,037
New Hampshire	6,843	4,052	210	880	10,225
New Jersey	153,480	71,926	4,455	19,700	210,161
New Mexico	2,678	1,635	82	715	3,680
New York	236,579	162,133	7,225	56,828	349,109
North Carolina	30,175	13,116	850	3,900	40,241
North Dakota	2,005	908	59	428	2,544
Ohio	188,743	70,320	5,550	14,816	249,797
Oklahoma	18,560	6,760	522	3,220	22,622
Oregon	11,993	9,723	405	2,307	19,814
Pennsylvania	162,031	111,045	5,175	17,000	261,251
Rhode Island	15,605	15,292	544	4,350	27,091
South Carolina	13,750	6,568	400	2,225	18,493
South Dakota	3,367	680	90	292	3,846
Tennessee	16,737	12,720	508	5,945	24,020
Texas	59,658	16,833	1,638	5,400	72,728
Utah	4,768	3,501	143	1,635	6,777
Vermont	3,696	1,876	113	350	5,335
Virginia	22,950	10,026	660	2,860	30,776
Washington	24,611	17,890	792	3,900	39,393
West Virginia	21,945	11,449	659	2,325	31,727
Wisconsin	61,353	12,883	1,646	4,800	71,082
Wyoming	2,188	1,330	67	465	3,120
Railroad unemployment insurance account	187,258	80,182	5,431	9,750	263,121

[1] Trust fund maintains separate account for each State agency, in which are held all moneys deposited from State unemployment funds and from which State agencies withdraw amounts as required for benefit payments. Railroad unemployment insurance benefits are certified by the Railroad Retirement Board and made by the Secretary of the Treasury directly from the railroad account in the trust fund.

[2] Totals represent sums of unrounded figures; therefore may differ slightly from sums of rounded figures.

Source: Compiled from data furnished by the U. S. Treasury Department, Office of the Commissioner of Accounts and Deposits.

Table 5.—*Advances certified*[1] *by the Social Security Board to the Secretary of the Treasury for Federal grants to States for public assistance*[2] *and for administration of unemployment compensation laws and State employment services,*[3] *fiscal year 1941–42*

[In thousands; [4] data corrected to June 30, 1942]

State	Total	Public assistance[2]			Employment security[3]			
					Under Social Security Act			
		Old-age assistance	Aid to dependent children	Aid to the blind	Total	Unemployment compensation and employment services	Employment services administered by the Social Security Board, January–June 1942	Under Wagner-Peyser Act, July–December 1941
Fiscal year:								
1935–36	$26,374	$21,421	$2,805	$1,126	$1,022	$1,022		(5)
1936–37	155,190	127,634	13,901	4,580	9,075	9,075		(5)
1937–38	251,877	179,200	25,237	5,184	42,256	42,256		(5)
1938–39	302,542	208,051	30,497	5,236	58,758	58,758		(5)
1939–40	345,038	231,079	46,113	6,228	58,340	58,340		$3,278
1940–41	395,606	259,875	62,992	7,073	62,462	[6] 62,462		[6] 3,204
1941–42	445,895	297,357	69,381	7,947	69,645	[7] 51,997	$17,648	1,566
Alabama	2,447	1,080	517	40	778	532	246	32
Alaska	366	282	(8)	(8)	79	63	16	6
Arizona	2,912	1,992	504	85	332	178	154	(9)
Arkansas	2,754	1,352	578	79	723	486	237	228
California	46,862	36,384	3,429	1,749	5,222	4,076	1,146	78
Colorado	10,627	8,767	1,236	136	475	319	156	13
Connecticut	4,772	3,182	215	34	1,318	1,016	302	23
Delaware	531	184	121	(8)	220	182	38	6
District of Columbia	1,447	571	264	49	562	313	249	(10)
Florida	5,200	3,426	712	262	778	592	186	22
Georgia	4,973	3,160	617	139	1,019	776	243	38
Hawaii	552	155	242	8	139	117	22	8
Idaho	2,356	1,403	608	40	298	230	68	6
Illinois	31,342	23,591	2,879	(8)	4,780	3,570	1,210	92
Indiana	13,241	8,170	2,767	350	1,915	1,385	530	40
Iowa	8,387	7,426	(8)	257	675	489	186	30
Kansas	6,193	4,168	1,245	209	541	351	190	30
Kentucky	4,226	3,338	(8)	(8)	855	628	227	32
Louisiana	6,792	3,110	2,662	151	843	622	221	27
Maine	2,978	1,993	373	163	438	332	106	10
Maryland	4,109	1,948	1,213	91	837	649	188	21
Massachusetts	22,671	16,453	2,832	174	3,162	2,434	728	49
Michigan	18,604	10,636	3,922	224	3,760	2,724	1,036	61
Minnesota	12,196	8,750	1,862	188	1,365	1,039	326	32
Mississippi	2,475	1,549	304	81	516	353	163	25
Missouri	13,871	9,431	2,172	(8)	2,222	1,592	630	45
Montana	2,605	1,734	502	52	311	234	77	6
Nebraska	4,972	3,344	1,084	98	431	299	132	15
Nevada	628	437	(8)	(8)	186	152	34	4
New Hampshire	1,563	1,005	160	50	340	249	91	8
New Jersey	9,354	4,134	1,882	120	3,165	2,503	662	53
New Mexico	1,112	499	381	31	195	145	50	6
New York	34,542	19,315	5,698	538	8,839	6,987	1,852	152
North Carolina	5,078	2,522	1,142	225	1,147	828	319	42
North Dakota	1,922	1,125	539	21	229	164	65	7
Ohio	27,246	20,262	2,535	559	3,814	2,863	951	76
Oklahoma	12,469	9,017	2,372	264	789	528	261	26
Oregon	4,417	2,947	423	77	958	718	240	12
Pennsylvania	31,055	14,364	10,891	(8)	5,664	4,227	1,437	137
Rhode Island	2,091	1,068	315	13	685	510	175	9
South Carolina	2,333	1,176	481	56	599	441	158	21
South Dakota	2,317	1,774	329	27	180	125	55	7
Tennessee	5,498	2,664	1,648	122	1,028	751	277	37
Texas	23,038	19,462	814	336	2,351	1,580	771	75
Utah	3,767	2,490	874	30	366	269	97	6
Vermont	960	551	146	24	234	180	54	5
Virginia	2,958	1,260	692	104	871	662	209	30
Washington	15,888	13,121	1,152	227	1,368	1,020	348	20
West Virginia	5,127	2,340	1,886	142	737	556	181	22
Wisconsin	11,152	7,702	1,987	299	1,128	827	301	36
Wyoming	922	542	176	23	176	132	44	5

See footnotes on following page.

Table 6.—*Federal insurance contributions and Federal unemployment taxes, by fiscal year, 1935–36—1941–42, and by month, fiscal year 1941–42*

[In thousands [1]]

Fiscal year and month	Total	Insurance contributions [2]	Unemployment taxes [3]
Fiscal year:			
1936–37	$252,097	$194,346	[4] $57,751
1937–38	604,510	514,406	[4] 90,104
1938–39	631,227	530,358	100,869
1939–40	712,217	604,694	107,523
1940–41	788,232	690,555	97,677
1941–42	1,015,563	895,619	119,944
1941			
July	47,049	44,815	2,234
August	167,002	159,525	7,477
September	4,276	3,366	910
October	47,843	45,674	2,169
November	175,266	168,458	6,808
December	5,590	4,323	1,267
1942			
January	51,289	38,579	12,710
February	252,715	181,446	71,269
March	4,768	2,773	1,995
April	42,026	39,173	2,853
May	213,042	203,740	9,302
June	4,699	3,747	952

[1] Totals represent sums of unrounded figures; therefore may differ slightly from sums of rounded figures.
[2] Tax effective Jan. 1, 1937, based on wages for employment as defined in Internal Revenue Code (ch. 9, subch. A, sec. 1426), payable by employers and employees.
[3] Tax effective Jan. 1, 1936, based on wages for employment as defined in Internal Revenue Code (ch. 9, subch. C, sec. 1607), payable by employers only. Amounts represent Federal tax collections after deduction for amounts paid into State unemployment funds on covered wages.
[4] Includes $40,561,886 subsequently refunded to States which did not collect taxes on 1936 pay rolls and in which employers paid full tax to the Federal Government.

Source: Daily Statement of the U. S. Treasury.

Footnotes to table 5:
[1] Advances are certified for specified period of operation which is not necessarily period in which certification is made.
[2] Data not comparable with expenditures for assistance and administration in table 11.
[3] Prior to 1942, the U. S. Employment Service was financed from 3 sources: State funds, matching Federal grants to States under the Wagner-Peyser Act, and Federal grants under title III of the Social Security Act. (For July 1935–June 1939, grants to States under the Wagner-Peyser Act were certified by the U. S. Department of Labor; for July 1939–December 1941, in accordance with Reorganization Plan No. 1, such grants were certified by the Social Security Board.) Beginning January 1942, the USES was administered by the Social Security Board and financed solely from title III funds.
[4] Totals represent sums of unrounded figures; therefore may differ slightly from sums of rounded figures.
[5] Excludes $1,156,859 expended for postage.
[6] Includes $20,000 certified after close of fiscal year, not included in table A–4 of Sixth Annual Report of the Social Security Board.
[7] Represents grants to States for unemployment compensation administration, 1941–42, and for State employment services, July–December 1941; excludes $1,012,100 expended for postage.
[8] No plan approved by the Social Security Board.
[9] Beginning July 20, 1941, the Arizona employment service was maintained by the Social Security Board as a division of its Bureau of Employment Security.
[10] Not available, because funds for the District of Columbia employment service included in funds of the Federal Bureau of Employment Security.

Table 7.—*Federal appropriations and expenditures for administrative expenses and grants to States under the Social Security Act* [1] *and the Wagner-Peyser Act,* [2] *fiscal years 1940–41 and 1941–42*

[In thousands [3]]

Item	Fiscal year 1940–41		Fiscal year 1941–42	
	Appropriations [4]	Expenditures [5]	Appropriations [4]	Expenditures [5]
Total, Social Security and Wagner-Peyser Acts	$443,894	$449,866	$506,929	$502,586
Total, Social Security Act	440,894	446,682	503,829	501,020
Administrative expenses	27,694	31,515	26,129	31,461
Federal Security Agency, Social Security Board [6]	27,220	25,668	25,655	24,752
Department of Labor, Children's Bureau	364	362	364	363
Department of Commerce, Bureau of the Census	110	113	110	115
Department of the Treasury [7]	([8])	5,373	([8])	6,231
Grants to States	416,200	418,351	480,800	471,125
Federal Security Agency	405,000	407,295	469,600	459,628
Social Security Board	394,000	396,522	458,600	448,238
Old-age assistance	245,000	260,080	300,000	299,054
Aid to dependent children	75,000	63,222	74,000	69,406
Aid to the blind	10,000	7,069	9,000	7,954
Employment security administration: [2]				
Social Security Act, title III	61,000	62,967	72,500	70,257
Wagner-Peyser Act	3,000	3,184	3,100	1,566
Public Health Service: Public health work	11,000	10,773	11,000	11,390
Department of Labor, Children's Bureau	11,200	11,056	11,200	11,497
Maternal and child health services	5,820	5,536	5,820	5,927
Services for crippled children	3,870	3,986	3,870	3,997
Child welfare services	1,510	1,534	1,510	1,573

[1] Excludes some funds appropriated and expended under the Social Security Act, because they are not separated from other Federal funds for similar purposes. Such is the case with funds for vocational rehabilitation for which $113,000 was appropriated for 1940–41 and $112,000 for 1941–42 for administration in the Office of Education, and $2,000,000 for 1940–41 and $2,650,000 for 1941–42 for grants to States. For disease and sanitation investigations of the Public Health Service, appropriations were $1,625,000 for 1940–41 and $1,742,481 for 1941–42 in addition to grants to States shown in this table.

[2] Grants for State employment services under the Wagner-Peyser Act were administered by the Social Security Board for July 1939–December 1941; beginning January 1942, the Federal Government assumed responsibility for all operations of the U. S. Employment Service. For 1941–42, expenditures from appropriations for grants to States under title III of the Social Security Act represent grants to States for unemployment compensation administration for the entire year, grants to States for employment service functions of unemployment compensation program for July–December 1941, and Federal expenditures for operation of employment services in the States for January–June 1942.

[3] Totals represent sums of unrounded figures; therefore may differ slightly from sums of rounded figures.

[4] Excludes unexpended balance of appropriations for previous fiscal year. Appropriations for 1941–42 include supplemental deficiency appropriation of $40 million approved Apr. 28, 1941.

[5] Under the Social Security Act, based on checks cashed and returned to the Treasury; under the Wagner-Peyser Act, based on checks issued by the Treasury. Includes expenditures from reappropriated balance of appropriations for previous fiscal year.

[6] Includes amounts expended by the Board in administration of title II of the Social Security Act, reimbursed to general fund of the Treasury. Includes amounts for administration of the Wagner-Peyser Act prior to 1942. See footnote 2. Excludes "general expenses" shown in table 2 paid from Federal Security Agency funds appropriated for that purpose.

[7] Represents amounts expended by the Treasury in administration of title II of the Social Security Act and the Federal Insurance Contributions Act, reimbursed to general fund of the Treasury.

[8] Not available.

Source: Various Federal appropriation acts (appropriations); Daily Statement of the U. S. Treasury (expenditures under the Social Security Act); Social Security Board, Bureau of Accounts and Audits (expenditures under the Wagner-Peyser Act).

Table 8.—*Old-age and survivors insurance: Estimated number of employers and workers and amount of taxable wages, 1937–41, and by quarter, January 1938–June 1942* [1]

[Corrected to Oct. 22, 1942]

Year and quarter	Employers reporting taxable wages (in thousands) [2]	Workers with taxable wages (in thousands)		Taxable wages [5]	
		On last day or last pay roll of quarter [3]	Total during period [4]	Total (in millions)	Average per worker
Calendar year:					
1937	([6])	----------	32,800	$29,300	$893
1938	([6])	----------	31,200	26,200	840
1939	([6])	----------	33,100	29,200	882
1940	([6])	----------	35,200	32,900	935
1941	([6])	----------	41,600	41,900	1.007
1938					
January–March	1,740	23,000	25,100	6,447	257
April–June	1,783	23,000	25,200	6,523	259
July–September	1,813	23,800	25,900	6,505	251
October–December	1,833	23,600	26,500	6,725	254
1939					
January–March	1,826	24,500	25,400	7,040	277
April–June	1,891	25,300	26,700	7,221	270
July–September	1,939	26,100	27,400	7,497	274
October–December	1,978	25,700	28,400	7,442	262
1940					
January–March	1,968	26,300	27,400	8,070	295
April–June	2,044	27,400	28,400	8,125	286
July–September	2,079	28,800	30,000	8,129	271
October–December	2,095	29,400	31,500	8,576	272
1941					
January–March	2,070	([7])	32,100	9,588	299
April–June	2.163	([7])	34,900	10,285	295
July–September	2,200	([7])	36.300	10,980	302
October–December	2,209	([7])	36,400	11,047	303
1942					
January–March	2,186	([7])	36,100	12,300	341
April–June	2,214	([7])	36,800	13,190	358

[1] Data partly estimated and subject to revision.

[2] Number of employers corresponds to number of employer returns. A return may relate to more than 1 establishment if employer operates several separate establishments but reports for firm as a whole.

[3] Beginning with 1940, figures represent employees on last pay roll of quarter; prior to 1940, they represent employees on last day or last pay roll of quarter.

[4] Unadjusted for duplication resulting from recording of wages of some employees under more than 1 account.

[5] Unadjusted for nontaxable wages erroneously reported, or for wages not counted in determining insurance benefit. Wages over $3,000 a year paid to an employee by a single employer in 1937, 1938, and 1939, and by all employers beginning with 1940, are not taxable.

[6] Not available.

[7] Revised estimates for 1941 and estimates for 1942 not available because rapid changes in labor market have complicated method of estimating number of workers in covered employment on last pay roll of quarter.

Table 9.—*Old-age and survivors insurance: Summary of selected data, by State, by specified period* [1]

State	Employee accounts established,[2] fiscal year 1941–42	Wage records, calendar year 1940 [3]		Monthly benefits in force Dec. 31, 1941 [4]				Amount of monthly benefits [6] and lump-sum payments certified, fiscal year 1941–42 [7] (in thousands [8])		
		Workers with wage credits during period	Average taxable wage	Total		In current-payment status [5]		Total	Monthly benefits	Lump-sum payments
				Number	Monthly amount	Number	Monthly amount			
Total	6,676,596	34,202,250	$908	483,579	$8,785,838	433,722	$7,815,332	$116,487	$102,248	$14,239
Alabama	160,465	467,575	633	7,164	104,695	6,593	95,232	1,432	1,273	159
Alaska	3,636	29,250	891	122	2,315	113	2,125	31	25	6
Arizona	25,965	103,200	773	1,352	22,947	1,262	21,140	302	269	33
Arkansas	119,578	231,950	487	3,178	45,280	2,909	40,986	616	546	70
California	395,141	2,133,250	967	28,969	569,252	25,699	500,250	7,402	6,457	945
Colorado	57,498	245,025	756	3,583	65,944	3,194	57,708	846	757	89
Connecticut	89,449	641,750	1,069	8,852	169,818	7,715	147,874	2,299	1,968	331
Delaware	13,649	89,975	872	1,254	23,376	1,113	20,713	299	260	39
District of Columbia	50,819	223,525	970	2,024	37,733	1,827	33,614	519	434	85
Florida	108,139	487,250	566	7,355	130,379	6,686	118,349	1,577	1,413	164
Georgia	177,894	624,825	575	6,968	100,068	6,319	88,467	1,365	1,167	198
Hawaii	20,116	94,475	705	1,582	24,500	1,393	21,308	295	277	18
Idaho	24,392	101,800	717	1,211	21,015	1,096	18,728	273	248	25
Illinois	392,049	2,552,025	1,027	33,563	649,559	29,558	569,475	8,621	7,411	1,210
Indiana	177,673	911,700	920	13,374	240,516	12,089	216,462	3,210	2,842	368
Iowa	99,996	436,475	739	6,588	113,491	5,854	99,947	1,462	1,319	143
Kansas	82,249	292,300	676	4,184	71,401	3,852	65,167	963	855	108
Kentucky	121,266	417,425	730	8,058	123,499	7,406	112,088	1,657	1,473	184
Louisiana	114,968	466,450	652	5,314	82,722	4,735	72,573	1,106	953	153
Maine	47,766	242,250	655	4,142	71,078	3,573	61,220	891	798	93
Maryland	99,877	541,850	867	6,804	119,569	6,158	107,895	1,658	1,410	248
Massachusetts	204,512	1,464,950	968	24,107	465,417	21,325	410,662	6,083	5,399	684
Michigan	238,617	1,669,950	1,143	19,591	359,718	17,529	318,537	4,881	4,166	715
Minnesota	116,962	539,925	869	7,464	144,704	6,819	131,131	1,914	1,713	201
Mississippi	107,679	223,525	484	2,966	41,234	2,579	33,836	500	444	56
Missouri	202,044	872,975	834	11,644	210,993	10,107	181,045	2,719	2,355	364
Montana	20,286	116,975	863	1,484	27,447	1,357	24,939	377	330	47
Nebraska	52,786	203,175	691	2,621	46,057	2,330	40,463	594	531	63
Nevada	7,829	38,000	875	342	6,357	310	5,699	79	64	15
New Hampshire	24,574	159,525	738	3,087	53,835	2,626	45,227	659	601	58

New Jersey	196,417	1,374,625	1,033	20,807	414,665	18,711	373,023	5,545	4,855	90
New Mexico	24,513	75,775	643	834	12,442	782	11,424	168	150	18
New York	688,343	4,750,625	1,049	64,689	1,260,194	57,794	1,123,665	16,866	14,796	2,070
North Carolina	174,370	725,675	586	8,664	120,003	7,884	107,113	1,624	1,410	214
North Dakota	17,440	63,900	608	634	10,756	554	9,262	142	122	20
Ohio	327,531	2,028,125	1,040	31,026	587,350	27,870	521,716	7,810	6,844	966
Oklahoma	114,706	340,500	720	3,959	66,239	3,629	60,020	899	801	98
Oregon	69,827	291,300	849	4,396	81,183	3,859	69,976	1,038	923	115
Pennsylvania	476,760	2,920,600	1,000	50,554	932,199	46,244	848,836	12,517	11,126	1,391
Rhode Island	37,846	271,275	848	4,151	77,529	3,605	67,424	998	890	108
South Carolina	108,290	362,100	538	4,607	61,727	4,168	54,390	816	714	102
South Dakota	21,946	74,850	689	846	14,884	764	13,181	195	169	26
Tennessee	164,680	548,950	637	7,199	107,878	6,433	94,100	1,411	1,236	175
Texas	364,171	1,294,950	707	13,486	214,428	12,295	192,925	2,894	2,504	390
Utah	34,290	115,825	775	1,707	29,916	1,581	27,217	399	363	36
Vermont	15,528	82,625	683	1,804	31,775	1,496	25,906	374	343	31
Virginia	141,444	590,625	664	7,596	114,810	6,851	102,755	1,560	1,341	219
Washington	108,393	466,750	940	7,878	151,379	6,950	131,373	1,949	1,707	242
West Virginia	83,136	420,275	900	8,129	132,010	7,561	121,424	1,753	1,602	151
Wisconsin	138,732	725,425	967	10,860	205,747	9,815	183,995	2,707	2,419	288
Wyoming	10,359	54,150	832	595	10,415	546	9,462	141	125	16
Foreign				211	3,390	204	3,285	51	50	1

[1] For data for previous periods, see *Sixth Annual Report of the Social Security Board, 1941*, tables B–1, B–3, B–6, B–7, B–8, and B–9.

[2] Excludes 353 individuals whose race and/or sex are unknown.

[3] Based on sample which includes wage records of 1,372,618 workers and $1,245,983,984 in wages identified for posting to individual accounts by May 16, 1941, or approximately 4 percent of total 1940 workers and wages thus identified. Wage items identified for posting by May 16, 1941, represent 97.6 percent of estimated total number of workers with taxable wages in 1940 and 95.3 percent of estimated total taxable wages for 1940. Taxable wages exclude remuneration from employment not covered by old-age and survivors insurance program and wages in excess of first $3,000 a year earned by any 1 worker.

[4] Distribution by State estimated.

[5] Subject to no deduction from current month's benefit or only to deduction of fixed amount which is less than current month's benefit.

[6] Includes retroactive payments.

[7] Preliminary estimate; subject to revision.

[8] Totals represent sums of unrounded figures; therefore, may differ slightly from sums of rounded figures.

Table 10.—*Employment security: Summary of selected data, by State, fiscal year 1941–42*

[Corrected to Aug. 14, 1942]

State	Administrative expenditures [1] (in thousands)	Employment service			Unemployment compensation							
		Applications	Placements [2]	Active file as of June 30	Workers with wage credits [3]	Number of covered employers	New claims allowed (net) [4]	First payments issued	Continued claims [5]	Amount of benefits [6] (in thousands)	Funds available for benefits June 30 [7] (in thousands)	Ratio: benefits [6] to collections [8]
1939–40, total	$65,552	16,174,271	4,616,166	5,734,450	30,086,000	[9] 810,663	[10] 6,234,335	5,063,174	63,977,611	$482,507	$1,707,046	56.5
1940–41, total	68,711	17,884,420	6,275,095	5,126,192	31,947,000	[9] 851,088	[10] 4,806,759	3,859,399	53,542,474	433,345	2,104,873	48.7
1941–42, total	74,789	18,893,910	8,111,542	4,279,825	37,200,000	[11] 892,907	4,521,480	3,243,715	40,383,194	371,301	2,891,115	33.8
Alabama	851	305,845	84,060	56,142	608,900	5,973	54,361	31,847	521,349	3,075	31,400	24.8
Alaska	98	15,136	10,269	486	32,500	[11] 577	2,282	1,939	24,812	215	2,231	18.6
Arizona	262	69,119	75,379	24,535	137,000	4,186	13,087	8,662	81,652	800	6,003	28.2
Arkansas	780	326,606	401,222	50,154	334,100	18,328	34,052	27,859	239,656	1,434	10,754	28.8
California	5,573	1,573,949	691,722	236,961	2,740,000	53,673	360,930	283,571	4,108,605	48,680	227,389	47.3
Colorado	522	145,265	92,735	28,293	276,000	4,115	19,505	13,439	166,466	1,315	15,219	25.0
Connecticut	1,406	290,953	109,569	41,276	900,000	11,970	65,065	45,482	368,408	3,093	76,216	12.8
Delaware	233	37,363	18,828	8,038	131,000	5,490	11,006	8,668	75,784	602	10,197	23.1
District of Columbia	314	130,103	68,887	13,502	320,000	17,417	13,653	9,764	157,097	1,565	28,233	20.6
Florida	847	266,122	89,193	79,134	588,900	7,516	80,196	66,589	747,923	6,346	16,851	75.9
Georgia	1,132	359,272	109,173	88,155	742,000	8,311	64,858	45,436	714,918	4,400	34,914	37.6
Hawaii	170	29,501	12,250	2,430	174,000	4,930	3,734	2,680	27,944	182	9,865	8.5
Idaho	313	54,735	86,417	9,847	129,000	9,556	11,580	9,746	117,802	1,029	4,067	41.7
Illinois	5,355	1,142,243	279,767	249,735	2,927,700	42,905	408,431	337,088	2,958,000	33,269	276,501	36.9
Indiana	2,062	503,526	166,828	259,963	1,117,300	10,921	128,514	[12]	1,046,796	10,617	73,910	36.9
Iowa	768	240,887	104,044	47,277	464,300	8,215	42,928	32,590	359,879	2,367	26,410	25.5
Kansas	634	230,646	106,621	39,897	250,000	5,097	30,660	25,217	290,570	2,361	18,769	46.3
Kentucky	978	258,580	82,482	76,201	506,000	8,968	46,096	33,433	222,601	2,815	46,023	20.9
Louisiana	929	277,680	82,413	84,329	577,200	12,267	99,857	76,338	1,027,721	7,354	23,487	67.2
Maine	470	129,440	54,233	19,444	250,100	3,956	28,569	21,625	211,571	1,341	10,307	21.9
Maryland	886	302,099	89,932	36,869	747,300	13,640	64,363	48,823	497,015	4,905	42,047	25.0
Massachusetts	3,325	656,264	118,066	119,398	1,662,700	35,620	188,214	144,893	1,803,155	15,056	123,865	32.8
Michigan	3,946	867,101	188,448	144,151	1,757,500	17,074	367,148	283,292	3,294,128	43,249	123,943	64.3
Minnesota	1,442	362,546	104,685	132,943	600,900	27,739	71,478	54,530	699,429	6,556	30,584	54.4
Mississippi	591	276,235	88,061	62,582	306,200	4,235	29,538	23,595	306,738	2,048	6,907	50.7
Missouri	2,353	651,185	232,923	259,569	1,017,700	12,756	99,266	79,146	1,023,315	8,018	87,553	30.6
Montana	338	64,093	37,781	7,698	129,800	10,217	17,033	13,548	195,367	1,676	6,482	54.3
Nebraska	481	127,439	57,735	34,448	196,000	3,783	15,717	12,105	154,292	1,213	10,628	60.0
Nevada	201	34,876	28,390	1,613	56,200	[11] 3,051	4,342	3,022	46,216	454	2,089	22.1
New Hampshire	363	65,931	26,757	10,504	180,000	4,207	24,311	13,904	156,447	972	10,300	23.9

New Jersey	3,302	641,799	199,835	163,994	1,640,000	19,399	255,913	199,012	2,021,434	19,557	210,678	27.1
New Mexico	214	60,720	56,532	21,218	117,200	5,373	9,965	7,620	92,516	695	3,727	42.4
New York	9,462	2,188,262	672,490	468,091	5,300,000	136,635	670,520	467,901	6,204,845	57,324	350,202	35.1
North Carolina	1,274	392,678	221,791	60,087	859,300	9,963	66,187	55,247	677,385	3,841	41,043	27.7
North Dakota	256	78,761	51,199	14,851	62,700	1,532	4,707	3,928	55,547	432	2,547	47.6
Ohio	4,016	1,000,023	346,235	199,187	2,610,000	56,659	185,681	128,832	1,804,083	14,943	250,039	21.2
Oklahoma	872	295,144	120,559	70,466	367,500	5,959	37,498	31,091	351,670	3,155	22,742	46.6
Oregon	1,009	229,567	256,778	17,052	372,300	10,073	42,947	30,937	251,270	2,294	19,854	23.7
Pennsylvania	6,111	1,270,546	288,887	290,574	3,820,000	[11] 152,550	288,745	207,517	2,527,072	17,531	261,476	15.7
Rhode Island	711	127,247	28,160	28,710	352,600	6,745	74,688	51,436	446,582	4,312	27,326	28.0
South Carolina	660	189,823	79,358	51,648	444,900	4,142	48,743	30,583	375,630	2,209	18,580	33.0
South Dakota	204	61,649	34,975	21,264	66,200	1,708	6,015	3,791	43,800	296	3,861	43.2
Tennessee	1,139	247,390	505,090	129,377	646,200	6,898	79,998	62,598	891,107	5,939	24,299	46.4
Texas	2,638	1,005,050	969,552	289,624	1,351,900	17,599	102,056	78,244	1,059,717	5,363	72,877	31.8
Utah	383	119,079	46,502	15,275	156,900	7,221	13,914	10,744	136,730	1,639	6,800	46.6
Vermont	248	29,575	13,376	4,980	96,200	1,737	5,888	3,725	46,452	326	5,369	17.4
Virginia	942	265,395	111,971	37,211	810,600	8,612	45,858	36,649	402,116	2,905	30,872	28.9
Washington	1,443	324,963	210,175	38,156	622,500	40,955	62,321	37,655	426,096	3,843	39,428	21.6
West Virginia	831	193,914	48,113	52,388	484,000	[11] 4,639	43,839	32,978	325,002	2,522	31,796	23.3
Wisconsin	1,260	344,499	131,836	73,549	790,000	13,297	69,468	([12])	548,253	4,692	71,278	37.6
Wyoming	191	33,086	19,258	6,549	71,500	4,518	5,755	4,396	50,231	476	3,177	35.6

[1] Data for July–December 1941 represent employment security administrative expenditures by State agencies from State and local funds and from Federal grants under the Social Security Act (title III) and the Wagner-Peyser Act; data for January–June 1942, represent employment security administrative expenditures by State agencies from Federal grants under the Social Security Act (title III) and Federal expenditures for operation of employment services in the States.

[2] Represents total placements, including supplementary placements in which the employment service participated but did not perform all functions, as well as complete placements.

[3] Represents estimated number of different workers in each State with wages in covered employment some time in calendar year 1939, 1940, and 1941, after adjustment for duplication resulting from employment of individual workers in more than 1 State during same year.

[4] Represents gross or number allowed on first determination, plus or minus reopened claims on which disposition was reversed by initial authority.

[5] Represents applications for waiting-period credits or benefits which certify to completion of a waiting-period week or a benefit period.

[6] Adjusted for voided benefit checks.

[7] Represents sum of balances in State clearing account, benefit-payment account, and unemployment trust fund account maintained in the U. S. Treasury.

[8] Represents contributions from employers plus such penalties and interest as are available for benefits, and contributions from employees; adjusted for refunds of contributions and dishonored contribution checks.

[9] As of end of fiscal year.

[10] Represents gross or number allowed on first determination.

[11] As of Mar. 31, 1942, except Alaska, Nevada, and West Virginia, as of Dec. 31, 1941, and Pennsylvania, as of Sept. 30, 1941.

[12] Data not comparable.

Table 11.—*Special types of public assistance under State plans approved by the Social Security Board: Summary of selected data, by State, fiscal year 1941–42*

State	Old-age assistance						Aid to dependent children							Aid to the blind					
	Expenditures for assistance and administration [1]				Recipients, June		Expenditures for assistance and administration [1]				Recipients, June			Expenditures for assistance and administration [1]				Recipients, June	
	Total (in thousands)	Percentage distribution [2]			Number	Average payment	Total (in thousands)	Percentage distribution [2]			Families		Children (number)	Total (in thousands)	Percentage distribution [2]			Number	Average payment
		Federal funds	State funds	Local funds				Federal funds	State funds	Local funds	Number	Average payment			Federal funds	State funds	Local funds		
1940–41, total	[3] $535,377	49.2	40.5	10.3	2,169,529	$21.08	[3] $152,224	41.2	39.0	19.8	379,594	$33.01	916,742	[3] $15,016	47.3	33.7	19.0	49,817	$23.67
1941–42, total	[3] 602,111	49.2	41.2	9.6	2,253,309	21.83	[3] 167,826	41.2	40.8	18.0	390,402	34.01	938,977	[3] 16,534	47.3	34.9	17.8	54,358	24.37
Alabama	2,516	47.2	30.3	22.5	21,262	9.61	1,144	50.0	25.7	24.3	5,509	15.57	15,704	81	50.1	25.7	24.2	643	9.65
Alaska	561	49.9	50.1	-------	1,563	29.45	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------
Arizona	3,909	50.6	49.4	-------	9,499	34.42	1,036	50.0	50.0	-------	2,317	33.76	6,178	165	50.0	50.0	-------	415	33.62
Arkansas	2,598	48.5	51.5	-------	25,120	8.30	1,111	50.0	50.0	-------	6,257	14.32	16,266	144	50.0	50.0	-------	1,171	9.63
California	72,163	50.0	23.9	26.1	157,597	36.47	9,911	34.1	33.5	32.4	13,650	51.24	32,550	[4] 4,321	40.6	29.1	30.3	[4] 7,217	46.87
Colorado	[5] 17,797	[6] 46.3	53.0	.7	[5] 42,787	30.99	2,425	50.0	24.9	25.1	5,938	30.86	14,611	270	50.0	24.7	25.3	641	33.23
Connecticut	6,395	50.8	49.2	-------	17,583	29.38	[7] 564	35.3	39.2	25.5	1,725	55.64	4,421	[8] 69	50.0	50.0	-------	[8] 189	29.77
Delaware	394	47.8	52.2	-------	2,331	12.87	254	48.1	29.1	22.8	462	33.92	1,373	-------	-------	-------	-------	-------	-------
Dist. of Columbia	1,200	48.5	51.5	-------	3,528	26.31	545	46.6	53.4	-------	1,130	36.56	3,306	104	50.0	50.0	-------	292	33.66
Florida	7,172	47.7	52.3	-------	43,139	14.24	[8] 1,423	50.0	50.0	-------	[8] 4,622	26.38	[8] 10,919	[8] 523	50.0	50.0	-------	[8] 2,736	15.14
Georgia	6,625	47.6	46.6	5.8	66,195	8.85	1,295	50.0	44.6	5.4	4,717	22.61	11,529	275	50.0	44.2	5.8	2,033	11.58
Hawaii	(3)	(3)	(3)	(3)	1,710	14.05	(3)	(3)	(3)	(3)	888	39.86	2,760	(3)	(3)	(3)	(3)	79	16.68
Idaho	2,791	50.2	49.8	-------	9,903	23.57	1,212	50.0	50.0	-------	2,999	32.54	7,691	82	50.0	50.0	-------	274	24.27
Illinois [9]	46,303	50.2	49.8	-------	150,409	26.42	[10] 5,463	50.0	50.0	-------	[8] 22,399	32.61	[8] 50,813	-------	-------	-------	-------	-------	-------
Indiana	16,774	49.3	29.8	20.9	70,512	19.81	6,025	45.8	31.7	22.5	14,944	30.77	31,084	672	49.9	47.2	2.9	2,356	21.97
Iowa	15,151	49.8	50.0	.2	56,555	21.47	-------	-------	-------	-------	-------	-------	-------	499	50.0	25.8	24.2	1,539	27.23
Kansas	8,636	48.1	26.1	25.8	31,092	22.30	2,835	43.6	15.7	40.7	6,745	34.03	16,280	420	49.2	14.9	35.9	1,346	23.76
Kentucky	7,134	48.2	51.8	-------	56,823	9.81	-------	-------	-------	-------	-------	-------	-------	[11] 5	50.0	50.0	-------	-------	-------
Louisiana	6,376	46.6	53.4	-------	35,676	13.36	5,541	45.8	54.2	-------	15,053	26.71	38,391	295	49.8	50.2	-------	1,333	17.11
Maine	3,957	49.3	50.7	-------	15,901	21.23	899	41.8	28.8	29.4	1,820	41.44	5,049	304	50.0	50.0	-------	1,080	22.74
Maryland	4,202	47.8	35.4	16.8	16,537	19.05	2,544	50.0	38.4	11.6	5,372	32.42	14,901	184	50.0	16.3	33.7	614	22.58
Massachusetts	33,066	48.6	32.8	18.6	86,630	33.22	8,945	30.9	32.2	36.9	12,001	56.12	29,445	353	50.0	50.0	-------	1,120	24.64
Michigan	21,308	49.4	50.6	(12)	92,465	19.68	11,200	37.4	53.7	8.9	20,766	43.58	48,026	435	50.0	50.0	(12)	1,396	26.27
Minnesota	17,374	50.2	31.9	17.9	63,139	22.30	4,116	45.4	20.1	34.5	8,906	34.84	21,451	362	49.7	45.3	5.0	1,027	27.44

Mississippi	3,138	49.0	50.9	.1	26,902	9.02	628	50.0	49.9	.1	2,575	20.14	6,604	163	50.0	50.0	(12)	1,370	10.65
Missouri	19,334	49.1	50.6	.3	115,501	13.38	4,247	50.0	49.7	.3	14,098	23.47	32,339						
Montana	3,400	49.5	33.1	17.4	12,467	22.59	1,011	49.9	33.7	16.4	2,609	30.93	6,454	94	49.8	32.8	17.4	329	24.63
Nebraska	7,097	49.6	50.4		29,579	18.64	[8] 2,161	50.0	50.0		[8] 5,413	28.38	[8] 12,101	[8] 200	50.0	50.0		[8] 730	21.72
Nevada	836	50.0	26.2	23.8	2,209	30.66													
New Hampshire	2,057	49.3	27.2	23.5	7,312	22.76	429	37.2	62.8		841	47.79	2,110	99	50.0	50.0		338	23.72
New Jersey	8,830	47.6	34.5	17.9	29,880	22.64	3,754	46.7	21.0	32.3	8,380	31.82	19,107	243	49.1	1.7	49.2	716	24.52
New Mexico	1,069	47.6	52.4		5,102	16.20	778	49.0	51.0		2,865	27.89	6,971	57	49.7	50.3		235	18.97
New York	42,015	46.4	26.9	26.7	118,915	26.15	18,898	30.7	20.0	49.3	27,661	49.23	54,930	1,092	48.6	23.1	28.3	2,757	27.64
North Carolina [13]	5,167	48.4	27.9	23.7	39,223	10.36	2,218	50.0	26.5	23.5	9,910	17.17	23,202	464	50.0	25.3	24.7	2,215	15.13
North Dakota	2,224	48.4	40.2	11.4	9,539	18.60	1,028	49.4	24.9	25.7	2,501	31.91	6,942	42	50.0	46.7	3.3	135	21.84
Ohio	40,667	50.6	49.4		139,373	24.04	6,086	41.3	26.2	32.5	11,535	38.54	30,247	1,118	49.7	16.5	33.8	3,941	20.97
Oklahoma	18,124	50.1	49.9		77,749	20.46	[8] 4,849	50.0	50.0		[8] 19,541	21.96	[8] 45,103	550	50.0	50.0		2,184	22.85
Oregon	6,110	49.5	31.7	18.8	21,751	23.28	1,183	37.5	39.4	23.1	2,026	46.31	4,772	158	49.1	31.7	19.2	466	27.70
Pennsylvania	29,884	48.2	51.8		97,342	22.97	27,963	39.1	60.9		47,757	40.59	120,145						
Rhode Island	2,076	48.8	51.2		7,422	23.50	787	39.0	38.0	23.0	1,241	52.45	3,456	28	50.0	50.0		95	22.32
South Carolina	2,554	43.6	56.1	.3	21,030	11.42	863	45.4	54.3	.3	4,020	16.72	11,762	117	42.6	57.0	.4	815	10.71
South Dakota	3,569	50.0	49.7	.3	14,797	19.20	[8] 651	49.7	49.8	.5	[8] 1,863	28.75	[8] 4,355	52	49.7	49.7	.6	255	15.34
Tennessee	5,247	49.0	39.3	11.7	39,995	11.84	3,331	49.9	34.2	15.9	14,223	19.02	35,408	237	50.0	38.0	12.0	1,657	12.44
Texas	37,773	[14] 51.0	49.0		174,154	19.71	[10] 1,576	50.0	50.0		15,054	20.63	31,607	[15] 577	50.0	50.0		3,135	22.92
Utah	4,880	50.5	34.6	14.9	14,569	27.07	2,178	38.1	47.1	14.8	3,489	46.19	9,167	64	48.7	36.9	14.4	167	28.44
Vermont	1,156	50.0	50.0		5,495	[16] 7.09	288	50.0	25.9	24.1	725	32.83	1,929	46	50.0	50.0		157	22.50
Virginia	2,795	46.1	33.2	20.7	19,783	10.36	1,361	50.4	29.5	20.1	4,963	20.68	14,313	201	50.0	29.4	20.6	1,080	12.94
Washington	26,084	49.8	50.2		64,282	33.54	2,742	41.2	58.8		4,876	43.78	11,782	462	50.0	50.0		990	35.78
West Virginia	4,824	48.4	51.6		23,487	17.65	4,221	50.0	50.0		12,673	31.10	33,651	270	50.0	50.0		1,031	22.43
Wisconsin	15,694	[17] 50.3	28.9	20.8	53,958	23.68	5,768	34.8	32.2	33.0	11,095	39.59	25,830	589	50.0	30.1	19.9	1,922	24.35
Wyoming	1,105	49.4	29.5	21.1	3,537	24.94	339	50.0	30.1	19.9	748	33.52	1,942	48	49.1	50.9		137	28.21

[1] Except for Illinois in 1941–42 and Arizona in 1940–41, excludes expenditures for personnel merit systems.

[2] Based on unrounded figures.

[3] Total excludes Hawaii, for which data on administrative expenses not available.

[4] Includes program administered under State law without Federal participation.

[5] Includes data for recipients 60 but under 65 years of age.

[6] Excludes, because not expended by State in period, $38,420 representing part of addendum to Federal grant for assistance. Such addendum may be used by State for administrative expenses, assistance payments, or both purposes.

[7] Represents expenditures from December 1941, first month for which Federal funds available.

[8] Excludes program administered under State law without Federal participation.

[9] Includes administrative expenditures for personnel merit system.

[10] Represents expenditures for assistance payments for October 1941–June 1942 and for administration for July 1941–June 1942; first Federal funds available under approved plan for July 1941. Excludes program administered under State law without Federal participation.

[11] Represents administrative expenditures for April–June 1942; first Federal funds available under approved plan for April 1942.

[12] Less than 0.05 percent.

[13] Total expenditures and distributions by source of funds partly estimated.

[14] Excludes, because not expended by State in period, $58,700 representing part of addendum to Federal grant for assistance. Such addendum may be used by State for administrative expenses, assistance payments, or both purposes.

[15] Represents expenditures for assistance payments for October 1941–June 1942 and for administration for July 1941–June 1942; first Federal funds available under approved plan for July 1941.

[16] Shortage of funds at end of fiscal year resulted in low average payment for June. Average payment in May 1942 was $17.62.

[17] Excludes, because not expended by State in period, $9,911 representing part of addendum to Federal grant for assistance. Such addendum may be used by State for administrative expenses, assistance payments, or both purposes.

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